

The background is a solid orange color. Overlaid on this are several white geometric shapes, including a large, thick, stylized letter 'U' on the left and a series of white squares and rectangles arranged in a grid-like pattern on the right. A series of parallel orange lines, slanted diagonally from the bottom-left to the top-right, intersect the white shapes. The word 'zerowork' is printed in a bold, black, sans-serif font, positioned diagonally across the center of the image, following the orientation of the slanted orange lines. The letters are partially obscured by the white shapes and orange lines.

# **zerowork**

**Political Materials 1**

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## Introduction

The present capitalist crisis has made the problem of working class revolutionary organization more urgent. But, any discussion of revolutionary action must be based upon an analysis of the present relation of the working class to capital. The first issue of ZEROWORK takes up this task.

This historical crisis of capital is the product of a cycle of struggles, waged in North America and internationally, between the working class and capital. This is our starting point. There is nothing simple or mysterious about a cycle of struggle. The class struggle has many circuits, sectors, internal divisions and contradictions, but it is neither a mystical unity nor a chaotic mess. The articles in this issue describe the circulation and development of struggle through the different sectors of the working class that have culminated in the present crisis.

All capitalist crises may well look alike in the spectacles of economists. From the viewpoint of working class organization however, there is a vast difference between 1929 and 1975. It is the difference in the changed role of the working class in the determination of the capitalist crisis. Unless this difference is grasped we will fail to identify the present source of working class power and be condemned therefore to the repetition of old nostrums and discredited strategies.

Capitalism is not always and eternally the same, nor are the revolutionary potentialities of the working class. In order to clarify the novelty of the contemporary relations of class power, we may pick out three main stages of struggle over the last century each characterized by a different class relation and producing different types of crises.

The first is the period of the "anarchy of production." Recurrent capitalist crises and restructuration were aimed at reproducing the reserve army of labor in order to depreciate the value of labor-power and maintain the "proper" ratio between necessary and surplus labor. The possibility of "freemarket" control ended internationally with the Great Depression when a new relation with the working class was forged: the Keynesian era. Whereas formerly wages rose and fell in spasmodic movements, in the Keynesian era the power of the working class was expressed in constantly increasing wage

levels. The wage was taken, therefore, by capital as the pivot of the economy: development was geared to the expansion of demand. The consumer goods industry (primarily the automobile sector) consequently set the pace for growth. What was lost in the rigidity of wages was recaptured by inflation. The recessions of the Fifties were used as tools for the "fine tuning" of working class consumption and for moderating wage demands. Crisis kept the equilibrium between wage demands and inflation levels. "Fine-tuning" required new institutional arrangements. Working class organizations, the trade unions, were recognized as the sole bargaining agent of working class demands and the attempt was made to integrate them as a force for capitalist development.

The present crisis is neither a Keynesian recession nor a return to those of the "anarchy of production." *This crisis opens a new stage in the class relation.* It marks capital's recognition that the control of the working class through Keynesian methods has proved illusory: in fact those methods provided an occasion for the largest generalization of the wage struggle. Planned crisis is now the capitalist long term strategy. The present crisis is not the end of a business cycle. It is the end of an age.

Why was capital forced into this situation?

The political strategy of the working class in the last cycle of struggles upset the Keynesian plan for development. It is in this cycle that the struggle for income *through* work changes to a struggle for income *independent* of work. The working class strategy for *full employment* that had provoked the Keynesian solution of the Thirties became in the last cycle of struggle a general strategy of the *refusal of work*. The strategy that pits income against work is the main characteristic of struggle in all the articulations of the social factory. The transformation marks a new level of working class power and must be the starting point of any revolutionary organization. The strategy of refusal of work overturns previous conceptions of where the power of the working class lies and junks all the organizational formulae appropriate to the previous phases of the class relation.

We put these conclusions forward on the basis of a class analysis of the cycle of the Sixties and early Seventies. Only on the basis of such an analysis can organizational proposals be made or strategic conclusions drawn. Capital is a class relation, and as such it admits only two ways of approach: either the capitalist viewpoint or the viewpoint of the working class. In theory as in struggle, no middle ground is given.

From the capitalist viewpoint every crisis appears to be the outcome of a mysterious network of economics "laws" and relations moving and developing with a life of its own. Capital pictures itself as a completely

self-enclosed, self-guiding system. It might not always work right, but its “flaws” are internal as are its “cures.” From its vantage point the working class appears only as a product of capital’s motion and structure, as one variable among many that capitalist planning must calibrate and put in motion. Capital, on pain of extinction, must continually re-establish its control in the face of working class initiative in order to force the working class to become a simple “factor of production.”

Our class analysis proceeds from the opposite viewpoint, that of the working class. As a class relation, capital is first of all a power struggle. Capital’s “flaws” are not internal to it and nor is the crisis: they are determined by the dynamics of working class struggle. To be understood, that dynamics and cycle of struggle requires an analysis that must operate at four, interconnected and necessary levels.

First is the analysis of the struggles themselves: their content, their direction, how they develop and how they circulate. It is not an investigation of occupational stratification nor of employment and unemployment. We don’t look at the structure of the work force as determined by the capitalist organization of production. On the contrary, we study the forms by which workers can bypass the technical constrictions of production and affirm themselves as a class with political power.

Second, we study the dynamics of the different sectors of the working class: the way these sectors affect each other and thus the relation of the working class with capital. Differences among sectors are primarily differences in power to struggle and organize. These differences are expressed most fundamentally in the hierarchy of wages, in particular, as the Wages for Housework movement has shown, in the division between the waged and the wageless. Capital rules by division. The key to capitalist accumulation is the constant creation and reproduction of the division between the waged and the unwaged parts of the class. The Left has perpetuated and intensified this division to the extent that it still identifies the working class with the “producers” or with the waged. But for us, as for Marx long ago, the *working class is defined by its struggle against capital* and not by its productive function.

Third, we consider the relation between the working class and its “official” organizations, that is, the trade unions, the “workers’ parties,” welfare organizations, etc. We should never identify the working class with its organizations. indeed, much of the working class struggle producing the present crisis arose outside or against these very organizations. But by the same token one cannot follow the ideological line of “class purity” that analyzes struggle entirely independent of these

organizations. Whether a particular organization advances the interests of the working class or not, it plays a role in the relationship between the working class and capital.

Fourth, all these aspects have to be related to the capitalist initiative in terms of general social planning, investment, technological innovations, employment and to the institutional setting of capitalist society. It is in this relationship between the dynamic of working class struggle and institutional changes that the analysis of class recomposition reaches its most significant level, because it brings to the fore the power of the working class to transform capitalism.

Through these interdependent levels of class analysis we can understand the relation between the working class and capital. They enable us to specify the *composition of the working class*. At the same time such an analysis allows us to see how the working class changes that relation and reconstructs its composition at a greater level of power, that is, in its *political recomposition*. By “political recomposition” we mean the level of unity and homogeneity that the working class reaches during a cycle of struggle in the process of going from one composition to another. Essentially, it involves the overthrow of capitalist divisions, the creation of new unities between different sectors of the class, and an expansion of the boundaries of what the “working class” comes to include.

The articles in the first issue of ZEROWORK give a historical outline of the political recomposition in and among different sectors of the working class. Our analysis starts with the process of working class repression and technological reconversion that made up in the Fifties capital's response to the cycle of struggles that culminated in the immediate post-war years. It then shows how the working class regained the initiative in the Sixties. Each article demonstrates how the struggle of both the waged and the unwaged parts of the class thwarted the fundamental tool of accumulation - the division between the waged and the wageless. Those struggles against capital show a unity of demand - more money, less work - and not an organizational unity. Their power brought to a close the Keynesian era. *Thus it is the political recomposition of the waged and the unwaged that imposes the crisis on capital.*

Further, these articles show how the struggle has obliterated any distinction between politics and economics, the distinction that in previous phases dominated conceptions of revolutionary organization. The struggles leading to the Keynesian era materially destroyed the separation between the state and the “economic infrastructure.” The political nature of capitalism is not “unveiled” by the “exposure” of political institutions. All the elements of capitalist society are based upon the essential relation of command that capital seeks to impose on

the working class. The wage relationship is not a mere 'economic' relation. It is above all an expression of the power conquered by the working class and cannot be dismissed as a "reformist" struggle. The "labor markets" as well as the so-called political institutions, the kitchen and the assembly line, are all determined by the power relation materialized in the wage.

Everywhere, this is evident today. Gone is the time when "a fair day's work for a fair day's pay" was the slogan around which the working class movement rallied. The crudeness of the working class attack has shattered the apparently sophisticated distinction between qualitative and quantitative demands. The straight-forward imposition of higher income regardless of productivity has been the leading edge of working class political strategy. This appropriation of wealth on the part of the working class has taken many forms; demands for higher wages, for greater welfare benefits, rent strikes, subway strikes, and all the various types of direct appropriation that, under capital's justice, go under the label "crimes against property." The intensity and dimensions of these struggles demonstrate that the cutting of the link between income and work is the decisive point at which the class recomposed itself and expressed its political autonomy from capital. The magnitude of the struggle is best measured by the magnitude of the present crisis. Capital's response could not avoid the terrain of confrontation laid down by the working class. It is for this reason that the present capitalist strategy is characterized by a strenuous effort to sever its "dependency on workers." We interpret the macroscopic changes that the recent "oil crisis" has brought about in this way. Not a scramble over "natural resources" nor the product of rapacious corporations nor the narrow-mindedness of nationalist governments, it is rather a specific international strategy aimed at charting a new course of accumulation. The energy multinationals have become the leading force in this process precisely because of their capital intensive production and their relative "freedom" from labor problems. At the same time capital will not get rid of work, on the contrary, its political necessity is more apparent than ever as the fundamental form of control over the working class.

The contemporary Left sees the crisis from the point of view of economists, that is, from the viewpoint of capital. The Left is basically *for* work. It cannot grasp either in theory or practice that the working class struggle *against* work is the source of the crisis and the starting point of organization. Hence the Leftist image of the crisis is still mired in the paleomarxist view that sees the crisis as the product of capital's lack of planning of production. The "anarchy of production" is an external irrationality of the capitalist mode of production that dooms it



to crises of intercapitalist competition and imperialist wars. For the Left the working class could not have brought about the crisis; it is rather an innocent victim of the internal contradictions of capital, a subordinate element in a contradictory whole. This is why the Left is preoccupied with the *defense* of the working class.

Our analysis of the crisis implies a rejection of the basic proposal of the Left: socialism. We must rid ourselves of old terminology that has no application to the present level of class confrontation. The first on the list is “socialism” which at the present moment can mean only one of two dubious things. Either, as the ideology of the libertarian Left, it finds in small-scale production the solution to the ‘degradation of work,’ or it is a capitalist strategy of economic planning. In the first respect socialism is romantic and quaintly useless. In the second respect, however, socialism means primarily disciplining the working class. (The socialist countries are already playing the second role in the international context by inviting capital investments from strike-ridden countries, e.g., GM in Poland or Fiat in the Soviet Union.) In both cases the demand for socialism clashes with the working class demands against work.

The present task is not a matter of developing new versions of an automated 21st Century Utopia. The practical and theoretical challenge is to build a society where the creation of wealth does not contradict the autonomy of the working class and its refusal of work. This challenge cannot be met unless we re-define, and not avoid, those classic questions that our tradition has bequeathed us as relics, the questions of “the dictatorship of the proletariat” and “the seizure of power.”

## **U.S. Class Composition in the Sixties**

### **Capital's "New: Dimensions": The Kennedy Initiative**

**Paolo Carignano**

The year 1959 ends the Fifties in more ways than one. One phase of the initiative of American capital comes to an end and a new one that will characterize a large part of the Sixties in the United States begins.

Not only does the 1960 election result in the switch from a Republican to a Democratic administration, but a new set of choices are opened up in terms of institutions and political economy, that imply a new phase in the relationship between capital and the working class. The event that precipitated this change was the big steel strike of 1959.

After the great working class struggles of the Thirties and Forties, the capitalist offensive took the form of industrial decentralization, ghettoization, and direct union repression through the Taft-Hartley Act. These measures, however, did not eliminate working class initiative nor did they overcome working class reaction to attempts to harness its struggle. The wildcat movement that developed in the automobile sector between 1953 and 1955, defeated Walter Reuther's attempt to establish a bargaining truce by accepting a five year contract. Throughout the entire decade factory struggles took place not only around work conditions but also in defiance of established union leadership. The spreading of cost-push inflation theories and the renewed popularity of the stagnationist analysis of the thirties reflected capitalist awareness of the situation of endemic conflict that existed throughout the fifties. In 1959 capitalist initiative had to come to terms with the "paradoxes" of the previous decade: inflation that could not be controlled and one of the lowest rates of economic development in the capitalist world.<sup>1</sup> In 1959, the one hundred and sixteen day long strike of the steel workers convinced American capital that it was time to start on a new course. The old methods were no longer working. During the bargaining, management proposed freezing wage increases for a year and pushed for the introduction of statutory rules to limit wildcats and slowdowns. But the strike defeated such a proposal.<sup>2</sup>

It became clear that, at the factory level, the capitalists could not win and were running the risk of protracting indefinitely a vicious cycle of

permanent conflict within a context of economic stagnation. The only way out was to establish a new relationship of forces at a global level and to contain the class relationship within the limits of a process of economic development. Some time later in announcing the "New Dimension of Political Economy", Walter Heller would say: "Gone is the countercyclical syndrome of the 1950's. Policy emphasis had to be redirected from a *corrective* orientation geared to the dynamics of the cycle, to a *propulsive* orientation geared to the dynamics and promise of growth."<sup>3</sup>

On the whole, J.F. Kennedy's electoral campaign was not characterized by any specific theme or any concrete proposal.<sup>4</sup> Rather, it was centered around a single, extremely vague slogan which was repeated in every speech: "It is time to get this country moving again". But he was very concrete when he spoke at a steel workers convention against a proposed thirty-two hour week: "The Communist challenge requires this nation to meet its unemployment problems by creating abundance rather than rationing scarcity". The long term strategy was beginning to unfold. The working class insurgency was to be controlled by transforming it into the motor force of a process of general economic development. However this could take place on only one condition, i.e. that the state intervene more directly in the management and stabilization of class relationships. Within this framework, the New Economy and the institutional reforms of the "Kennedy era" came into being.

It was not long before the practice of direct state intervention in collective bargaining got underway, determined to block the development of workers struggles at all costs. For the first time, except during the war, a railway strike was blocked with a law that imposed compulsory arbitration. For the first time since 1954, the steel workers were forced to accept a settlement without a strike. The contract which allowed for no wage increase was reached through the direct intervention of the government. The same day that Kennedy was acting tough with the big steel bosses in the famous controversy about the price increases, the Taft-Hartley Act was imposed on the West Coast maritime unions. Labor secretary Goldberg was right when he proclaimed that: "Labor and management will both be making a mistake if they believe that the Kennedy administration is going to be pro-labor".

Kennedy's objective in these disputes was to establish the power of the executive in determining the relationship of forces between the classes and in the last analysis to guarantee the stability of this relationship by preventing the spread of working class struggle. To accomplish this task however, it was not enough for the government to be a third party in collective bargaining. Its political role could be successful only if the

state also undertook the technical management of economic development. As far as the structure of the government was concerned, certain institutions that had been in existence since the Employment Act of 1946 had to be revitalized. The Council of Economic Advisers for example, was reactivated as an effective institution of economic planning. But more importantly the "fact that the federal government has an overwhelming responsibility in regard to the stability and the development of the economy" had to be recognized.<sup>5</sup>

The Keynesian measures of the Kennedy administration are well known. The basic concepts of the New Economy are an updated version of the Keynesian theory of aggregate demand. Terms such as "tax drag", "GNP gap" and "monetary twist" became part of the current economic vocabulary. But behind the various fiscal and monetary measures to increase demand there was a definite political reality. Development was a means to maintain equilibrium in class relationships. i.e, economic development to guarantee power. "In the Alice in Wonderland economics of growth, it has been observed, it is essential to run as fast as one can, just to stay where one is".<sup>6</sup>

The income policy proposal and the guidelines contained in the 1962 Economic Report to the President epitomize the idea of balanced development. On one hand, wage increases are permitted and used to propel the development process. On the other, it is necessary to "bring home the idea that wages are not simply purchasing power, but costs."<sup>7</sup>

In underlining the innovative aspects of the Kennedy economy's usage of Keynes, economists have stressed "qualitative" elements and in particular "supply policy", namely training programs and the whole manpower policy.

Although manpower policies were part of the new practice of economic planning (at least in terms of forecasting manpower needs<sup>8</sup>), at this stage, however, they were totally subordinated to the needs of economic growth. The manpower problem was still seen only in terms of global employment or unemployment. Both the training programs and the "war on poverty" programs were looked at from the perspective of *adjusting* certain peripheral elements to the central needs of economic growth. It was assumed that once these preliminary obstacles were eliminated, the economy would move to a stage of "pure growth".<sup>9</sup>

But at this point economic theory passes into the realm of pure ideology.

### **"The Negro Problem" and the Dynamics of Class Recomposition**

In a lecture at Harvard in 1966, Walter Heller, the well known

architect of the Kennedy economy, triumphally announced that: "Economics has come of age in the 1960's. Two presidents have recognized and drawn on modern economics as a source of national strength and presidential power. Their willingness to use, for the first time, the full range of modern economic tools underlies the unbroken U.S. expansion that in its first five years created over 7 million jobs, doubled profits, increased the nation's real output by a third, and closed the \$50 billion gap between actual and potential production that plagued the American economy in 1961"<sup>10</sup>

From a strictly economic point of view he was right. From the same point of view, however, it was impossible then to forecast the crisis that the economic theory of the boom was about to encounter in a few years. But, by simply looking around, it was clear that these figures were telling nothing about the power relationship between classes. The "victory" over unemployment had left behind at least one unsolved matter: "the negro problem". A solution could not be found by merely implementing the law or through the traditional channels of civil rights ideology. The problem was political and consisted in the growth of a new black mass movement.

In the light of subsequent events, the period from the Birmingham demonstration (1963) to the Watts revolt appears as the prehistory of the movement. Already in this phase some distinctive traits started to develop and indicated that a *mass* movement was in the offing. "Birmingham marked the entry of the Negro poor into the protest movement; this is its most important consequence".<sup>11</sup> The revolts in Birmingham, Savannah and Charleston, marked the dimensions that the movement had already reached. Open violence was not a new element (even though in Jacksonville the Molotov is used for the first time); new was the fact that the attack was unmistakably directed against the police.<sup>12</sup>

By the time the revolt spread to the big cities, starting with Watts, another new aspect became apparent, i.e. the end of the leading role of the Civil Rights Movement.

The immediate reason for its loss of control was the difficulty of coping with the sudden and partly unforeseeable expansion of the movement and its unpredictable direction, at least in this phase. A more fundamental, "structural" reason was that the "negro" of the 1960's was a different sociological figure, with needs and demands that went beyond the mere cry for legal justice. The figures of this sociological transformation have been studied extensively: the revolution in agricultural production that, in the span of a couple of decades, expelled 20 million people from that sector; the emigration, between 1940 and 1966, of almost 4 million blacks from the Southern states; the concentration of

half of the black population of the U.S. in the Northern cities.<sup>13</sup> The poles of attraction for the black work force consisted of the assembly-lines and the service sector of the big cities. Its prevalent life condition was the ghetto.

By 1969, in the major urban concentrations (over 1 million inhabitants) one of every four inhabitants was black. On the assembly-lines in Detroit the majority of the workers were black. It was at this point that the Civil Rights Movement lost its historical function. "While the Civil Rights Movement and the heroic efforts associated with it were necessary to break the official legality of segregation, it should be recognized that in a sense this particular form of racism was already obsolete, as its base in an exploitative system of production had drastically changed."<sup>14</sup> The question was no longer that of making sectors of the black middle class a part of "the system". The movement demanded a strategy and a leadership with a working class perspective. At the beginning of the Sixties, the most notable legal successes of the Civil Rights Movement ironically also marked its death.

Not only did the black movement transform itself but the capitalist initiative and the government in particular were also moving toward a new solution of the problem. In fact, *the encounter between the black and capitalist initiative opened a phase of working class struggles which was to characterize the second half of the Sixties*. Johnson's "Great Society" was at hand.

For some time before, the attention of those who were dealing with the "negro problem" had already moved away from the traditional Civil Rights' approach and had focused on the relationship between blacks and work. The problem, it was argued, was to stabilize this relationship. "Jobs are the fulcrum on which a strengthening of the family, and through the family of the Negro's role in American society ultimately rests".<sup>15</sup> A legally established equality of opportunity would not be enough to make blacks part of the system if not accompanied by their insertion in the relationship of production. As sociology informs us, the institution of work is a source of social stability and respect for authority, precisely what blacks are lacking. At this stage, however, the relationship of blacks to work was still seen in terms of the "new dimensions" of the Kennedy economy, that is to say in terms of global employment. The solution was sought therefore within a project of economic growth which provided wider job opportunities. Needless to say, once the black revolts had exploded and the movement had grown, the debate in the administration centered around specific proposals of a political nature.

The famous Moynihan Report and the ensuing controversy on the

subject of the black family cannot be understood outside the climate that the Watts uprising created. On the part of the government there was not only a clear awareness of the failure of the Civil Rights Movement, but also a widespread sentiment that the "negro problem" could no longer be solved in terms of an all encompassing "war on poverty". In fact Kennedy's "war on poverty" (apart from its social democratic overtones and its income-distribution ideology which seemed to be so popular in those days) was no more than a program to sustain demand in line with the general Keynesian economic policy. But now the most pressing problem for the country was to avoid being "doomed to succeeding summers of guerrilla warfare in our cities".<sup>16</sup> This situation called for action that went "beyond the original provision of food and clothing and money, to far more complex matters of providing *proper attitudes toward work*, reasonable expectations of success and so forth".<sup>20 17</sup>

The administration decided to intervene on a large scale in the inner cities, bypassing local governments and inefficient welfare agencies.<sup>18</sup> The result can be seen in the explosion of the welfare rolls. The data speak for themselves: in just one decade, from 1960 to 1970, there was an increase in the number of families receiving assistance of 225%! The highest increase came after 1964 and indicated the turn that welfare policies took at this point.

It has been satisfactorily shown that welfare policies have always been a cyclical answer to social disorders.<sup>19</sup> Bearing in mind this general criterion of interpretation, three phases can be distinguished. First, a phase of expansion of welfare assistance during the New Deal, whose primary function was to counteract economic depression by stabilizing the average income and thus increasing demand. Second, a phase of containment, during the Fifties, whose aims were to maintain low wages and incomes, especially in the Southern areas, and to favor a migratory movement of blacks to the Northern regions. Finally, the "Great Society" programs whose purpose was to establish political control over the communities threatened by black revolts.

Under the ideology of "poor people's participation in decision making", several federal programs attempted to build a network of controls through the formation of a new breed of local political organizers. Their role was to guarantee the management of social pressure. In other words, it was an outright attempt to *unionize the ghetto*, so that the struggles could be channelled into a practice of collective bargaining. Sargent Shriver was right when, in 1966, he suggested that the Economic Opportunity Act was "for the poor what the National Relation Act was for the unions . . . It establishes a new

relationship and new grievance procedure between the poor and the rest of society".<sup>20</sup>

The design was partly successful in the sense that it created some bargaining counterparts or agencies such as the National Welfare Rights Organization. In addition these initiatives were to produce a new generation of political cadres who were to constitute the backbone of black local reform politics in the 1970's. More important than that, from our point of view, is the fact that these initiatives provided a very favorable terrain for the development of social struggles. The Welfare Movement was not just an aspect of capitalist initiative but primarily a mode of expression of a new cycle of working class struggle. It was the basis for the amplification and circulation of social struggle, for the homogenization of demands, and, ultimately, for the process of recomposition of the working class.

Behind the ideology of participation loomed the prospect of political power, and federal funds on many occasions actually financed revolutionary programs and radical militants. This was certainly not foreseen. Adam Yarmolinsky of the Task Force on the War on Poverty candidly conceded that "the failure of the original Task Force to anticipate the violent reaction of poor people and poor neighborhoods to the opportunity to affect their own lives through community-action programs . . . the power potential, constructive and destructive, of the poor themselves was largely overlooked".<sup>21</sup>

It is very clear at this point that the "poor people's struggle" had little to do with any kind of lumpenproletarian rage, as it has often been interpreted to be. A deeper analysis of these struggles will inevitably lead us to the problematic of the working class struggle in the second half of the Sixties. The moment the welfare struggle met the factory struggle, a new cycle of confrontation between workers and capital began.

### **The Separation of Income and Work**

A witness of the 1967 uprising in Newark described the scene in this fashion: "The youth were again in the lead, breaking windows where the chance appeared, chanting Black Power, moving in groups through dark streets to new commercial areas. . . This was the largest demonstration of black people ever held in Newark. . . People voted with their feet to expropriate property to which they felt entitled. They were tearing up stores with the trick contracts and installment plans, the second-hand television sets going for top quality, the phony scales, the inferior meat and vegetables. A common claim was: this is owed me".<sup>22</sup>

More than any other image that of blacks reappropriating social



wealth and "chanting Black Power", has come to epitomize the struggles of the 1960's in the U.S. For the expert of social psychiatry such an image has substituted in the American "social consciousness" the fear of recession of the 1930's and the trauma of atomic war of the 1950's. For the New Left this image often represented a revival of revolutionary folklore around the theme of the revenge of oppressed and dispossessed masses.

It is hard to separate the analysis of the black movement from the ideologies which have surrounded it, or also to speak about a homogeneous and unified black political movement. The umbrella of Black Power has covered many different experiences, often contrasting in practice and goals. From the participatory reformism of CORE with its slogan "black power means black business", to the Black Panthers' sophisticated debate over the forms of armed struggle; from Eldridge Cleaver's lumpenproletarian and anti-colonial struggle, to the practice of local government and electoral politics. Stokely Carmichael's ambiguous definition of Black Power is a good example of the continuous fluctuation between revolutionary rhetoric and practical reformism which has characterized the whole history of the movement.<sup>23</sup>

Richard Nixon, then a candidate for the presidency, was not too far from the truth when, while announcing his program of "Black Capitalism" he suggested that "much of black militant talk these days is actually in terms far closer to the doctrines of free enterprise than to those of the welfarist thirties—terms of 'pride', 'ownership', 'private enterprise', 'capital', 'self-respect'. . . This is precisely what the federal central target of the new approach ought to be. It ought to be oriented toward black ownership, for from this can flow the rest—black pride, black jobs, black opportunity and yes, black power, in the best, the constructive sense of that often misapplied term".<sup>24</sup> Although it points out the ideological confusion of some of its leaders, Nixon's rhetoric cannot obscure the social reality of the black movement. It would be wrong to look at the black movement only in terms of its barely surfacing ideology or its partial attempt to deal with electoral politics.

Setting aside revolutionary myths and reformist ideologies, the black movement was much more than just another component of the class reality of the 1960's. Its central role far outweighed its actual dimension and organizational consistency. In commenting on the traditional term "ethnic minority" which had been applied to black people, James Boggs observed that "In politics what matters is not numbers as such but rather the strategic position of your forces".<sup>25</sup> From this point of view, it is not difficult to see that the present cycle of working class struggle started in the streets of black ghettos and that the black movement provided its

contents and often its leadership. In what sense?

The key to the problem is the transformation into working class that black labor-power underwent during the Sixties. We are not referring here to the structural changes that brought waves of black immigrants from the South to the assembly lines of the automobile factories or to the services sector of the large urban concentrations. Nor are we concerned with the sociological problem of territorial or occupational mobility. Rather the fundamental fact in understanding the class dynamic of this period is that, what was previously reserve labor-power in the Sixties became an *active subject of struggle over income. From the struggle for work they moved to the struggle against work.*

This phenomenon does not necessarily imply that blacks entered a stable work relationship. On the contrary, the promises of the Kennedy economy were never fulfilled and the problem of black unemployment remained unsolved. The novelty is in the very fact that, around the issue of income the black movement succeeded in connecting those in the factory with those kept out of it. Reappropriation of wealth in the community and struggle over wages within the factory were but two sides of the same struggle for higher income which was waged *independently and irrespective of any work relationship*. The relationship between income and work was totally severed.

The black struggles demonstrated that the wageless were part of the working class. They unveiled the factory-like organization of society where ghettos, unemployment and poverty were not a byproduct of the system nor a transitory malfunction, but a necessary element in the social reproduction of capital. Most importantly, they brought working class struggle to the society at large, and at that level they forced its recomposition. By recomposition we do not mean only the extension and the massification of the struggle but primarily the homogenization of its subjective contents. In this sense these struggles connected welfare, reappropriation, and armed struggle with the factory. To use traditional terms, they united the factory and the community.

For these reasons the contents brought forward by the black movement circulated very rapidly, particularly in 1968-69. They were carried to sectors which had been previously considered marginal and excluded from the cycles of working class struggles per se, i.e. students, prisoners, and women.

The contents of the black movement were often reflected among students in an ideological form which is too well known to require recapitulation here.

At the base of the prison reform movement of the early Seventies lies the cycle of prison rebellions that started in the late Sixties. In these the

political organization of black prisoners both played the leading role and provoked organizational allies in other parts of the prison population. When it is remembered that the capitalist initiative set in motion by the War on Poverty began as an attack on juvenile delinquency designed to remove social "bottlenecks in the process of citizen building," we see that the prison rebellions belong to the same working class offensive. The chickens come home to roost.

For women the black movement has been much more than just a cultural antecedent. In the relationship that blacks were able to establish between wage earners and wageless, women could subjectively identify the relationship that existed between factory work, office work and housework. This analysis of their material conditions was conducive to the formation of an autonomous feminist strategy. In particular, the welfare problem provided a concrete relationship between the general struggle over income and the specific struggle of women, where the two coincided.

There is another reason why the welfare struggle was a central element of working class subjectivity and relevant to working class recomposition. The relationship that exists, or rather that capitalists try to establish, between productivity and workers' remuneration loses any meaning when it comes to welfare payments. *Ultimately, these depend only on the intensity and determination of the struggle.* This is the single most significant element in this cycle of struggles. In it lies the origin of the working class refusal to accept the traditional role of the unions as the institutional guarantors of the link between productivity and wages. Here is also the reason for the persistence of the struggle even during the economic crisis which the capitalists unleashed to reestablish order among the variables of the system.

### **The Circulation of Working Class Autonomy**

From society to factory, from the ghettos to the assembly lines, a macroscopic datum can exemplify the reality of this process of class recomposition. For the first time, at the end of the Sixties, a growth of the welfare rolls corresponds to an increase in unemployment.<sup>26</sup> This had never happened before. For the first time, unemployment did not work to curtail the struggle by creating a reserve pool of labor-power. The struggle was not stopped but merely transferred to another sector. If not over wages in the factory, it was over welfare payments in the community and vice versa. The circuit is complete.

It comes as no surprise therefore to find blacks in a position of leadership in the plants during the 1968-69 conflicts. Many of the leaders

on the assembly lines had their first political experiences in the Detroit ghetto revolt of 1967. In many ways the experience of the League of Revolutionary Black Workers is indicative of the working class subjectivity of the whole cycle.<sup>27</sup> It is among these black vanguards that the condition of blacks in its entirety is understood from an unequivocal working class perspective, and that on this basis the organizational practice is oriented.

The large mass of black workers embody all the characteristics of unskilled workers. They are very mobile, one day employed at the assembly line and the next day unemployed in the ghetto. They struggle interchangeably for wages and for welfare payments; they have no attachment to work, on the contrary they refuse the work discipline whether imposed by the speed of the assembly line, by the foreman or by the union representative. They see their income not as a reward for their productivity but as a means to satisfy their needs. They have learned that the only determinant of their income is their own capability to organize and lead the struggle.

The DRUM, FRUM, ELRUM were the initial forms of organization. They were plant organizations and purposely and exclusively black. They *had* to be all black because they *wanted* to be autonomous. The old social democratic slogan "Black and white unite and fight" no longer served the purpose. It didn't even save the face of the unions. At that point what counted was not vague solidarity but concrete leadership of the struggle. And once this began on a new basis and for new objectives, it provided the ground for unity. The "extremist" demands (large wage increases and drastic reduction of work time) brought forward by these groups summarize quite well the new quality of the struggle. These demands best exemplify what can be called *workers' autonomy*. Autonomy means that the struggles are waged outside and often against the unions and that the objectives of the struggles are themselves autonomous. The size and the quality of the demands are measured only in terms of the workers' own needs and are ultimately aimed at achieving a subjective recomposition of the working class.

1967 is not just the year of the Newark and Detroit revolts. It is also the year that marks the resumption of factory insubordination. Not by chance these two facts coincide chronologically. In fact 1967 opens the most recent cycle of working class struggle. Let us compare a few data. The number of days lost in work stoppages during 1967 is 42 million, the highest since 1959 and double the figure in 1966. From 1966 on there is a constant rise. Difficult years on the bargaining front had been predicted for some time. The times when Kennedy could brag about his achievements in fostering labor peace after a long period of labor unrest, were

long gone by the middle of the Sixties. In November 1966, *Fortune*, in an article entitled "Labor's Rebellious Rank and File", observed that workers' pressure on union leadership had started to turn into open rebellion.<sup>28</sup>

What was the labor truce of the previous years based on, and what was the origin of the present insubordination? Collective bargaining and the contracts that followed were all centered around the issue of fringe benefits and totally neglected the question of hourly wages. The result of this policy was that in 1966, fringe benefits averaged over 25% the cost of cash wages. Union leadership seemed confident in the promises laid out in Kennedy's economics and consequently put no provision against inflation in the longterm contracts. Instead they focused on job security, early retirement plans, job reclassification schemes and the like, with the result that real wages started to decline.

The wave of strikes in 1967 demonstrated that the fear of rank and file rebellion was not without foundation. From the General Motors wildcat strikes to the massive transportation strikes, workers manifested their unwillingness to accept a de facto reduction in their wages, even if that meant bypassing the union leadership. Moreover, the outbreak of strikes did not just call into question outdated bargaining procedures and sell-out contracts. At stake was government policy itself which the Council of Economic Advisers firmly stated at the beginning of the year: "The only valid and non-inflationary standard for wages advances is the productivity principle".<sup>29</sup> President Johnson himself appealed to unions and workers to maintain at all costs a stable relationship between wages and productivity. By 1967 the Kennedy-Goldberg guidelines collapsed, demolished by the workers' struggle. At this stage workers' autonomy was starting to make headway.

Rather than describe single struggles, we will try to underline some general characteristics of the cycle as a whole. An extraordinary element was the broadened scope of the conflict and the degree of participation in the struggles. During 1968 and 1969, the statistical curve of days lost in stoppages does not show signs of slackening. Instead, in 1970, it reaches a peak at 66,400,000 comparable to the 69 million of 1959 (the highest level since 1949). But there is an important difference. While in 1959 the number of workers involved in stoppages was only 1,800,000, in 1970, the same figure is 3,305,000.

These simple data indicate that larger sectors of the working class were involved in the struggle in 1970. This does not tell the whole story however, since these data do not disclose the social level of the struggle. Welfare played an essential role in the process of recomposition of the working class. Integral to this process were for example the struggles

against increased transportation fares (in New York in 1970 groups of passengers collectively jumped subway gates in protest of the new fare); the rent strikes which often lead to direct armed confrontation with the police, and the more recent meat boycott (although initially supported and sponsored by the Administration with the false perspective of keeping the meat prices down, it rapidly "degenerated" in a struggle waged by neighborhood organizations against both the supermarkets and the rising costs of living).

Even at the level of the plant the figures above do not provide a full picture of workers' insubordination. There are forms of struggle that, although they do not imply direct confrontation as in the case of strikes and stoppages, are no less symptomatic of a continuous workers' refusal of the capitalist organization of work. Passive resistance such for example often foreshadow open conflict. Very high levels of absenteeism accompanied this entire cycle. In automobile factories, it was necessary to hire part-time workers on Mondays and Fridays in order to guarantee continuity of production. In 1970, H. Roche, president of GM, openly accused workers of betraying management and the public with their growing absenteeism, continuous stoppages and lack of cooperation. A "position paper" produced by GM during the 1970 contract negotiations, stated that "discipline had broken down in auto factories, and plant managers observed alarming increase in tardiness, loitering, failure to follow instructions, and abuse of employee facilities. Production schedules were disrupted repeatedly by crisis situations and strikes, while careless workmanship appeared to be increasing".<sup>30</sup>

More than the increased numerical participation, the novelty of this phase lies in the introduction to the struggle of larger and larger strata of the tertiary sector. As a result the "theory of the middle class", one of the most cherished tenets of American sociology, begins to show its limitations. The traditional, descriptive concept of working class has to give way to a more appropriate definition based on the *practice* of circulation and homogenization of the struggle.

Teachers for instance, used to be a professional category which was deeply imbued with a "public service" ideology. The education boom of the 1950's and 1960's, however, dissipated any professional illusion and revealed the wage-earner status of teachers and their subordination to the needs of capitalist reproduction. (This is especially true for elementary and high school teachers whose salaries are often inferior to those of factory workers). The teachers' struggles of the Sixties demonstrated a subjective awareness of their status. In 1968 alone there were 88 strikes. The most notorious took place in New York and manifested both the potentialities and the contradictions of the struggle. The big Newark

strike, three years later, left no room for doubt as to which were the opposing sides. On one side, black and white teachers fought decisively to impose their need for higher wages. On the other side, hiding behind the rhetoric of community needs, were the corporate interests which were then promoting "black capitalism" in response to the 1967 ghetto uprising. In 1972 and 1973, these struggles reached their highest levels in Chicago, St. Louis and most of all in Philadelphia with an unprecedented mass participation and militancy (774 arrests in three days).

In some instances struggles outside the factory became a model in form and content, for all kind of struggles. A case in point was the 1970 postal workers where workers all over the country paralyzed the postal system with an "illegal" strike against the federal government forcing it to use federal troops to move the mail. The struggle was waged not only against the federal government but also against labor unions whose mediating role was totally rejected. Workers' assemblies disavowed union leaders and set up, particularly in New York, autonomous committees. All these highly publicized facts had a great impact on the struggles that followed.

Since the Fifties the ratio of union membership to the total work force steadily diminished and in recent years has stabilized at 23%. In the Sixties, union membership, in absolute terms, increased from 17 million to 19 million due to the unionization of new and growing sectors of the labor force such as state and municipal employees, teachers, service workers, etc. Those who forecast a resurgence of American unionism point to such unions as the American Federation of Government Employees, State and County Municipal Workers, to Teachers Federations etc.<sup>31</sup> These unions in general represent the most progressive, socialdemocratic, wing of the labor movement, and thus constitute one of the best hopes of liberals.

The relationship between leadership and rank and file, however, is very volatile in these sectors since membership in these unions is much less tied to professional consciousness than was the case for the early industrial unions. For this reason unions are *used* as a means to organize and spread the struggle, but are easily bypassed when the circumstances require.

This brief survey of the most significant struggles of this cycle poses a central problem of the present phase, i.e. the question of the relationship between working class and unions. Not only could it be said that rapport has been deteriorating but in many instances there has been an open rift. Never before have unions been the object of such criticism. In 1968, more than 30% of the contracts, an unprecedented figure, were rejected by the rank and file. In September 1973, UAW skilled workers for the

first time in the history of this union, voted down the contract previously agreed upon by union and management. The more the struggle brings out the particular interests of the working class, i.e. the refusal of the capitalist organization of work, the more unions appear as mediators of class interests. The more the struggle over income is accentuated, the more unions reveal their institutional role of tying wages to productivity, and the more the unions appear to workers as an institution of capitalist society. Their function is more to harmonize workers and capital than to express the real political needs of the working class. The celebrated episode of Lordstown and the wildcats in the summer of 1973, can be analyzed from this perspective. The dynamics of these struggles are totally independent of any union planning. In Lordstown workers imposed a renegotiation of the contract already agreed upon by the UAW and GM, while at Chrysler and Ford, wildcats anticipated and in part determined the outcome of the contract. These struggles cannot be considered any longer as a "rebellion" among the membership. In their form and contents they already represent an alternative. The events at Lordstown have spurred an unending literature on workers' dissatisfaction and "alienation". Bourgeois sociologists have suddenly discovered "blue collars blues" and the "Lordstown syndrome" and are pouring out recipes to cure this "illness". But workers dissatisfaction with work is not a psychological attitude. Lordstown is the latest example, perhaps the most striking, of a trend that has characterized the entire cycle. *Refusal to work* is the present connotation of working class self-activity. It is the element which defines class relationship in an advanced capitalist country. It must necessarily be the content of any organizational proposal.

### **Capital's Counter-Attack: "Guaranteed Income and Social Efficiency"**

A recent radical interpretation of American capitalist initiative explained Nixon's policies as an attempt to respond to the repercussions of the Vietnam war.<sup>32</sup> The war expenditure "overheated" the economy and Johnson's government was unable to control inflation because of popular opposition to tax increases. Consequently, Nixon had to resort to recession in order to bring the economy under control. At the same time inflation produced a decrease in real wages and therefore a revival of wage demands. To sum up this argument: it was the "popular opposition" to the financing of the Vietnam war that made the economy unmanageable and led to the Nixon's government of repression.

The interpretation appears to be, to say the least, incomplete. This is not to say that the international role of the US and the integration of



international capitalist markets should not be studied and analyzed in detail. Our decision to emphasize capital-labour relations within the US has both a polemical and methodological purpose. In the above-mentioned interpretation, ideology precedes the analysis of facts. It starts from a value judgment on the amorality of the war, singling out those forces that conducted the opposition to the war, and from there derives the rest of the analysis. How ideological this viewpoint is, is demonstrated by the fact that a great distinction is made between the protest against the war and the workers' struggle for higher wages, which is considered economist and reformist. Actually from capital's point of view, Vietnam only becomes a ruinous enterprise when the opposition represented by the peace movement coincides with the particular working class struggles over income (not to mention Vietcong military victories).

Moreover, struggles over wages are not just a "result" of inflation. If wages are strictly dependent on capitalist economic cycles, why didn't they "respond" to the recession as they had always done? If the struggle is provoked only by a decrease in real wages, why were other economic mechanisms such as economic crisis or unemployment unsuccessful in re-establishing equilibrium on the wage front? In fact one of the most striking features of the present cycle is that wages have not ceased to increase even in the presence of an economic crisis. During the 1969 recession, wages increased from 6% to 7%. In previous recessions, wages have always markedly decreased: from 8% to 0.4% in 1948; from 6% to 3.3% in 1954; from 5.4% to 3.3% in 1957-58; and from 4.3% to 1.3% in 1960-61. The reasons for this change have already been investigated: at the foundations of this cycle a macroscopic process of recomposition of the working class imposed certain fixed options on capital. Not by chance has capital's attention focused on increasing wages. If it were a matter of overheating or common inflation, they had the tools (at least theoretically) to control the economic mechanism. But now capital has to face new phenomena and economists are not ashamed to openly admit it. Commenting on the incredible performance of wages, Arthur Burns admitted that "The rules of economics are not working in quite the same way they used to." What was shocking to the economists as *Fortune* was to comment later, was not that the recession occurred but that "it proved so appallingly ineffectual."<sup>33</sup> As Paul McCracken put it, "there may be some fundamental and pervasive and deeper phenomenon of social dynamics at work here, the nature of which we may not yet fully understand."

To put the blame on increased union strength at the bargaining table and look towards a new balance of power among democratic institu-

tions was not enough. The nature of the new social dynamic and “the new rigidity in our economic structure . . . *is not so much an increase in the relative power of unions as in the power of labor as a whole.*”<sup>34</sup> Only this direct confrontation between working class and capitalist organisation of work can explain the origin of Nixon’s New Economic Policy. “By August 15, it seems clear, a majority of businessmen—and a majority of economists too—had decided that the rules of economics had best be suspended until someone could figure out why they were not working.”<sup>35</sup> Only from the perspective of this “*suspension*” can one interpret the N.E.P., the wage freeze, the Pay Board (the new agency formed by business, government and unions to monitor the freeze), in short, the whole structure of the Nixonian state, the state of the crisis.

Nixon’s electoral platform was practically non-existent and lacked both a strategic perspective and a long term program. Nixon’s pragmatism was not an accidental characteristic of his new Administration but a real requirement of the political moment. Nixon is the embodiment of capital’s tactics. The element of continuity in his administration, granted all its profound contradictions and uncertainties, is to be found in its adherence to practical politics, i.e. in its attempt to contain working class insurgency in order to provide a background for the resumption of capitalist initiatives on a new longterm basis. For Nixon to “suspend” the rules of economics meant to adapt state institutions to the urgent need to disrupt working class recomposition. It meant direct state intervention in the matter of class composition and not merely guaranteeing, as it has until that moment, a macroeconomic equilibrium between growth and employment.

For this reason Nixon’s policy had to follow the same path that the struggles had taken, starting with the famous question of welfare which had proved to be a total failure from a capitalist point of view. First of all the legacy of Johnson’s Great Society had to be wiped out. Those measures and those agencies were already obsolete, not so much because they did not accomplish the goals for which they were created, but because, as pointed out above, they became a means for financing and organising social struggles. H. G. Philips, acting Director of the Office of Economic Opportunity, assessed the failures of that agency: “Some programs were premised on a belief that the problems of poverty are political rather than economic.” Federal money was used to provide, in his words, “patronage for local cadres of political activists.” The Legal Service Programme, for example, went beyond its intended purpose. “Some of these lawyers who are paid with federal funds have taken the view that their mission is to change the fabric of society through law reform. They have brought class-action suits challenges to constitution-

ality of laws, suits to put more people on welfare. They have organised rent strikes, aided political action groups. They have organised prison inmates, helped peace organisations and the gay Liberation Movement, and have represented ineligible clients. *All this is not helping the poor—it is purely political.*<sup>36</sup> The first thing to do, therefore, was to cut funds, and to dismantle or cut back anti-poverty agencies.

Even more important was finding a new global solution to the problems that the welfare explosion had created. The encounter between the conservative politics of a Republican administration and the liberal orientation of the social sciences, produced a new “social philosophy”. Although its proposal created a great deal of controversy, they still remain very important for understanding where capitalist “social planning” is headed.

Welfare struggles made it impossible to continue with the same policy. A new way to handle the matter was required because of the radically changed nature of the problem. What had happened that made Johnson’s assistance plans impractical? There was no doubt that the situation could not longer be seen in terms of “war on poverty”. The Johnson Administration itself had already realised that at the heart of the problem was the urgent need to control social movements before these found political outlets. Its answer, however, was to create an infrastructure of social services in the hope of containing social insubordination by providing opportunity for productive activities. At the root of this policy was the idea that the problem was transitory. In the long run, economic development would absorb these marginal areas. Education, training programs, social promotion would facilitate the transition. Since these agencies did not serve the purpose of containing, of “unionizing”, this social sector, they failed in their immediate objective. They actually created more problems than they solved. Step by step, the welfare system lost all its paternalist functions and became a *means of acquiring income*. “Across the nation it had become a general rule that as poverty declined, welfare dependency increased.”<sup>37</sup> This is the key that Nixon’s social scientists discovered. It was not *poverty* any more, it was a problem of *dependency*.

Social struggles have identified the state as the bargaining agent from which to demand income. The members of a typical welfare family can not simply “be helped to help themselves.” They *demand* from the state the guarantee of a stable income. For many, to be on welfare is not just a step in the direction of obtaining a wage; it is an income *now, and without having to work*. This is the objective around which struggles have developed. It was the anti-puritan demand of *wanting* to be dependent, that provoked the welfare crisis. Moynihan’s perception of

the problem leaves no doubt as to the reasons for a massive intervention in the welfare sector: "Welfare dependency became a 'crisis' in the mid-1960s *not* because it was consuming large amounts of money, or involved large numbers of people. The amount of money was trivial, and the numbers not that large. Welfare had to be defined as a crisis because of the rate at which the rolls commence to grow. 'The heart of it,' Robert L. Bartley writes, 'is that such growth has powerful overtones of social disintegration.'"<sup>38</sup>

Nixon accepted the challenge set forth by the struggle. Putting aside Johnson's utopias, he confronted the problem on its own terms. An "income strategy" began to take shape in the proposal to Congress of a guaranteed income, the Family Assistance Plan (FAP).

In practice and in theory, the issue was not new for American capitalism. During the Fifties, for example, a guaranteed wage proposal appeared in the Steel Workers and UAW platforms. These plans consisted of certain unemployment benefits and were eventually approved elsewhere (as in the case of the longshoremen). But the guaranteed wage was no more than a form of unemployment insurance and, in any case, was applicable only to the more unionised sectors and tied to existing wage levels.

After the debate on automation and the resulting fear of its negative effects on employment, the idea, this time of a guaranteed income, surfaced again. Nevertheless the proposal put forward at the beginning of the Sixties remained very abstract in that they were linked either to post-industrial utopian society or to social democratic income-distribution ideologies.<sup>39</sup> (It was not by chance that these ideologies reappeared in the McGovern campaign and were definitively defeated.)

Nixon's FAP is a different story altogether. In its basic form the idea was borrowed from the concept of a "negative income tax" elaborated in the Forties by the conservative economist Milton Friedman. A person pays the state in accordance with the amount of income he/she has. If income is below a certain level, the state pays a tax, so to speak, to raise income to that level. The principle is seemingly quite elementary but hides a very definite strategy. The mechanisms by which these negative taxes are distributed provide an incentive to work. Working does not exclude the possibility of receiving state support which decreases gradually as income decreases. To make a long story short, with this system a subsistence level can be reached only if one combines income from working with the state's negative tax. In its original conception the system was supposed to provide an automatic mechanism for keeping free market forces in balance (it was conceived explicitly as a critique of Roosevelt's welfarism). For Nixon's strategists, it is not this aspect that

counts but rather that the negative income tax could become a *strategy for social planning*.

First, this system eliminates the bureaucratic service apparatus which, as we have seen, ended up aiding the struggle. The new system has the advantage of being impersonal and therefore less political. Secondly, it establishes a more direct relationship between income and work. The debate on the amount of the negative income tax is a crucial one. The ceiling has to be low enough so that it does not provide a feasible alternative to working. This was the principal defect of the welfare system which only sparked the explosion of welfare rolls. Critics have charged that the FAP would substitute welfare with "workfare". This aspect cannot be underestimated. Obviously the plan is not designed to establish a relationship between income and productivity, but it does forge a direct link between income and work. It should be stressed that work means *any kind of work* and the social discipline that work implies. According to the good old theory, digging holes and filling them up again helps to cool down revolutionary passion. (The great majority of recipients will increase the ranks of the underemployed, already a large part of the labour force in certain areas such as New York.) Finally and most important of all, whether or not this system succeeds in forcing people to work, its ultimate objective is to stabilize a given sector within a specific social hierarchy.

Since the struggle forced the state to deal with the demand of a guaranteed income, the State responds by attempting to control and reshape the demand of making it *a form of wages* within a well-defined wage hierarchy. Once welfare struggles manifest their working class nature, capital is forced to acknowledge them and place the welfare sector within the stratification of work. This does not necessarily imply that it becomes a part of the labor process. It does mean, however, that it is organised *from the work viewpoint*, i.e. from the viewpoint of a rigid working class stratification.

As a wage disengaged from productivity or, in some cases, from work, the guaranteed income is determined only by the necessity of political control over working class recomposition. Paradoxically, guaranteed income becomes a means of regulating the labor market. There is nothing left of the income distribution experiments of the Kennedy-Johnson era. Nixon's design is realistically aimed at dismembering the political homogeneity of the working class. His project, although temporarily defeated by Congress, is bound to reappear, perhaps under a Democratic administration.

## **"Industrial Efficiency" and the Union**

Nixon's guaranteed income is an overt attempt to isolate the different social sectors that were recomposed by the struggles and makes the communication between factories and communities more difficult.

However, for this strategy to be effective, it must apply to the whole gamut of factory struggles and push back the wage explosion around which they concentrated.

Nixon's initiative on this front has two immediate objectives: to defeat the wages attack, and to reassert union control over the workers. These two are not at all contradictory. The first step in this initiative has been to apply some "traditional" but always effective measures, such as an increase in unemployment. According to official statistics, unemployment reached 6.5% in 1972. The most affected areas were those where the struggle had been most intense; Detroit, Cleveland, etc., were listed as depressed areas. Among blacks and young workers the rate doubled. For young blacks it reached 50%.

At the factory level the attack takes the form of an intensification of work. The short-term capitalist strategy does not foresee a technological dismemberment of the work force. Kennedy's rhetoric notwithstanding, no major technological leap occurred during the Sixties. The 1973 data indicate that only 33% of U.S. machine tools are less than 10 years old, the lowest level since the 30% of 1940, that followed after 10 years of depression.<sup>40</sup>

The increase in productivity in the Nixonian phase is obtained through stricter work discipline, increase overtime, and intensification of speed-up. It is not by chance that the Lordstown struggles and those in Detroit in the summer of 1973 focused on these themes. In Lordstown, General Motors claimed to have the fastest assembly line in the world and in Detroit people were working 12 hours a day including Saturdays.<sup>41</sup>

More than unemployment and factory repression, the most relevant aspect of the Nixon Administration are the institutional transformations. Nixon's New Economic Policy launched on August 15, included the institution of a wage freeze, and a Pay Board in charge of implementing it. The economic editorials commented at that time that Nixon had suddenly turned Keynesian. In fact, his program has nothing to do with the income policy of the early Sixties. In theory and in practice, the income policy approach has been surpassed by events. It is no longer possible to conceive of a process of economic growth which can maintain a stable relationship between social productivity and wages, and an equilibrium between different productive sectors. The actual

outcome of the Keynesian policies of the Sixties has been to foster working class recomposition. They have sparked off an international cycle of class struggle of enormous proportions, and in so doing have provoked a stasis in capital's accumulation.

The new capitalist strategy entails, a dis-equilibrium among productive sectors, and therefore a political dismemberment of the working class. Capital is forced to place foremost certain leading economic sectors to the disadvantage of others, even if this means economic instability, as long as it can preserve the necessary level of accumulation at an international level.<sup>42</sup>

Under these circumstances, rigid guidelines for wage increases are useless. The Pay Board enforced only formally the productive guidelines. In reality, it managed collective bargaining, sector by sector, according to which sector presented a more favorable relationship of forces. This is what the freeze was all about.

Yet, it would be impossible to understand the Pay Board and the institutional changes without examining the new role that unions play.

Once the relationship between wages and productivity is severed, the unions, whose task was to guarantee this relationship, lose their traditional role in the system. Unions can no longer constitute a side of the balance of power within a dynamic equilibrium of institutional forces. Their relationship with the state cannot even exist in terms of "collaboration" towards the maintenance of social peace. Unions must become *part* of the state; they must take part in government. They must "govern" the working class.

This explains the creation of the Pay Board and the Labor-Management Committees during different phases of the NEP. Wage controls are not guaranteed by general guidelines but by the institutional relationship between unions and government, by the *de facto* entry of the unions into the government.

This new arrangement provides for an extreme flexibility in bargaining procedures, allowing a wide range of options in each individual settlement and at the same time enforcing the differences among sectors.

The new role that Union have in the State obviously requires a certain amount of internal adjustment with changes in their organization and relationship to the working class. Some "backwardness" which in the past slowed down bargaining procedures has to be eliminated. One of the major difficulties consists in the extreme decentralisation of the labor movement. This facilitates autonomous actions on the part of the locals, often in contradiction with the policy of the International unions.

Union reforms will entail a greater intervention of the Internationals in local bargaining and "improved" ratification procedures in order that

contracts not be as easily voted down by the rank and file as in the past.

In short, this will require the greater "autonomy" of union leadership from day-to-day grievances, a great professionalisation of union leaders, and the usage of more advanced techniques in order to maximize efficiency. Unions must be able to function like business enterprises in all respects.<sup>43</sup>

In conclusion, the progressive cleavage between working class and unions is due to both workers' dissatisfaction and the new "managerial" requirements of unions' role. Furthermore, labor must reconsider the contents of its new tasks and strategy. Before this question can be answered, another aspect of the present capitalist reorganization remains to be examined.

During the Kennedy-Johnson era, while economic policies were being modelled after Keynesian macroeconomics, sociological ideologies were trying to prove their credibility in the first experiments with social policy. For the first time, sociology was accepted as a viable tool for analysis and State intervention in social planning. Moynihan's career as a government functionary is a case in point. Social sciences tried to tackle the problems of poverty, unemployment, crime, and, most of all, ethnic and racial conflict. Their task was to find ways, if not to eliminate, at least to control, social conflict. Even in this case, however, sociology took for granted the possibility of adapting social composition to economic growth. The ideological character of these premises was highlighted by the social struggles which defeated the project of the "new economics" at its very foundations. Sociology was in turn forced to abandon global synthesis and relegate the race question to "benign neglect". During the present phase, the *sociology of work* becomes the center of attention. The emphasis put on the organization of work is not merely an answer to the problems created by the "Lordstown syndrome", an often recurring complaint about workers' lack of motivation and boredom. The sociology of work provides a new approach to the more general problems of social organisation. The perspective of industrial organisation is closer to the present capitalist needs of social planning than the previous, descriptive analyses of the sociology of classes.

The sociology of work has always been prescriptive in character, to serve the needs of factory management and therefore always less prone to "sociological imagination". Most of all, the methodology of the sociology of work corresponds to the present capitalist thrust to intervene directly in the social milieu in a planned way, whether to control the welfare system, to re-organize the educational system, to regulate the labor market, or to transform the nature of work on the



assembly line.

Economic development does not automatically produce an adequate social composition. The reverse is true. A certain class composition is now an essential prerequisite for development and therefore must be planned and organised.

At a factory level, the new sociology criticizes the "human relations" approach as a poor substitute for Taylorism. The "human relations" theory grew out of the ideological premise that it is enough to give workers "better" treatment and create a social system inside the factory. The shortcomings of this theory are that it supposes that the workers can adjust to machines once the environment is transformed, and does not consider the work process itself. This approach has been so inadequate that in many cases it has been replaced by an updated version of Fordism. (The GM Vega plant in Lordstown is precisely that.) At least Fordism guarantees an increase in productivity, if not in the satisfaction of the workers.

The only possible alternative to Taylorism and "human relations" "must arise from the assumption that it is insufficient to adjust either people to technology or technology to people. It is necessary to consider both the social needs of the workers and the task to be performed."<sup>44</sup>

A step in the right direction consists of going beyond the present techniques of "job enrichment", "job enlargement", "job rotation", etc., since they represent only limited solutions. They are concerned only with the horizontal structure of work and leave out the vertical hierarchy of industrial enterprise, and thus the global organisation of work. Every work place has to become an "experiment in design". Autonomous work groups, integrated functions, self-government, job mobility, rewards for learning, wages linked to workers' ability rather than to their jobs, are few a of the possibilities to be explored.

There is no doubt that many of the solutions proposed by the advocates of "job design" are utopian. But an underlying trend is evident: the necessity for *total experimentation*. There is no longer a stable relationship between the worker and his job. He is not defined any more by the specific function he performs. Nor is the division of tasks defined by the technological division of labor.

The "job design" theory incorporates the lessons taught by the working class struggle. The technological division of the working class has not been a barrier for its recomposition. The organisation of work cannot therefore be determined once and for all, but must be extremely elastic and open to fast and continuous readjustments.

In the last analysis, the organisation of work becomes a political matter, determined solely by the relationship of forces at any given point

in time.

For these reasons it becomes clear that the organisation of work is not the prerogative of individual management. The proponents of "job design" are well aware of that as they talk about "social efficiency" and not just "industrial efficiency".<sup>45</sup> In addition to management, the State and the unions have a fundamental role in the design of jobs.

The State has the task of promoting full employment not merely by means of fiscal and monetary measures, but through federal and local programs which regulate the labor market and plan the relationship between technological development and the quality of labor supply.

The union's role is to guarantee the political conditions for experimentation. The new contents of the unions' policies and the meaning of the political organisation of work now became clear.

Since the stratification of the working class does not follow technological lines for the reasons mentioned above, unions become the only guarantee for stability and an integral part of any project of job design.

Capital's answer to the progressive homogenization of work is the institutionalization of change in the working conditions. The participation of labor in work design is to maintain political control over the working class. Labor's "government" of the workers thus covers the full range, from the State to the factory. An immediate consequence of all this is the crisis of one of the fundamental tenets of the New Left.

According to its proponents, a Workers' Control strategy entails a "qualitative" shift in the nature of workers' demands from wages to working conditions. However, the new unions' interest in the conditions of work, far from being revolutionary, reflects the new needs of the capitalist organization of work.

*(January 1974)*

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## Notes On The International Crisis

Mario Montano

When looking at capital's project for the international crisis, one aspect is immediately clear: from its perspective, the crisis is a *long-term* undertaking. It is not a temporary recession to cure inflation and re-establish capital's "animal spirits." It is the imposition of a *long-term austerity for the purpose of enforcing work* with the maximum feasible violence. While this violence includes lower standards of living, increased unemployment and speed-up for the working class internationally, the tactics of such enforcement of work are adapted to local conditions. So we have a ghettoization of the labor force and "workfare" in industrial countries, working-class genocide in Chile, mass starvation of proletarians in India, etc.

*Capital's need to attack with such multinational violence is just a sign of the tremendous power that the working class has commanded in its international political re-composition.* By assuming the crisis as a long-term strategy, capital reflects awareness that what is at stake is the historical re-assertion of work as a condition of income, and therefore the secular defeat of an international working class that is separating income from work.

Historically, the working class has imposed "full employment" and has then used it to launch its wage struggles and so further attack the power of capital. If the struggles of the U.S. unemployed in the Thirties forced an end to the usage of devastating levels of mass unemployment and deflation to control wage rates, the wage struggles of the Sixties showed that "full employment" is also politically unmanageable. In the cycle of struggles that begins in the mid-Sixties, the working class has defeated the two major capitalist strategies for control: "technological" control of the class as *labor power*, i.e., explicit use of technology to repress the class struggle and confinement of the working class to the role of a variable in the interplay of supply and demand, and "economic" control of the class as *internal demand*, i.e., the attempt to use the working class wage struggle as the mainspring of economic development. The working class has attacked at both levels, at the point of production through low productivity, absenteeism, etc., and in circula-

tion, through uncontrollable wage demands, in a generalized strategy against work and for income, that is, for *income against work*.

### **The Working-Class Struggle and the Crisis**

The crisis is *imposed* on capital by the parallel, contemporary and cumulative wage struggles of both the waged and unwaged, internationally. This is what is meant by “international political re-composition of the working class.” Throughout the widest international circulation of the wage struggle in the Sixties, the working class has broken down the precarious link between wages and productivity and has cut deeply into profit margins, thus shaking the roots of capital’s command, as *command over labor*. Capital’s power to enforce work has diminished, and the working class power to work less has increased.

These struggles for more money and less work, working class rejection of incomes policies, absenteeism, lowered social productivity, sabotage, welfare struggles, urban insurrections have been autonomous struggles, carried on by the direct initiative of those involved in them, whether through existing political organizations, if these organizations — Government agencies, trade unions, “workers’ parties” — could be used, or through new organizational solutions. *Everywhere the mass wage offensive has been productive of self-organization*, including mass direct action, the political use of mass violence, and the explicit organization of armed struggle in the community against the factory and the State. Everywhere the same political characteristics of the wage struggle have emerged: in advanced England, backward Portugal, dependent Argentina, reformist Chile, and socialist China. At the same time that the waged working class has used “full employment”, anti-Fascism, Peron, Allende and the Great Proletarian Cultural Revolution for its wage initiative, the masses of the unwaged the world over have intensified their pressure, forcing the opening of entirely new wage fronts. It is the immense income demand of the unwaged that has produced local growth and plans for economic development in Libya, Algeria, Iran, Venezuela, Indonesia, Nigeria. Decades of national liberation struggles have incubated an explosive unwaged, unsatisfied, uncontrolled working-class demand in what was once called the “Third World.”

Internationally as well as domestically, capital has been confronted on both sides at once, by development and by under-development, by the waged and by the wageless. The culmination of the wage struggle, coupled by the explicit attack on capital’s command leaves capital no choice but to accept the crisis and to try to make it backfire on the

working class.<sup>1</sup>

At the international level, the *cycle of struggles of the U.S. working class* remains the main reference point, not simply because of the strategic position and strength of the U.S. working class, but because the U.S. cycle has shown the highest *wage re-composition of a multinational working class*. In this sense, the U.S. cycle interprets and expresses more clearly the political quality of the international cycle as a whole: the recomposition of the waged and the unwaged.<sup>2</sup> Political recomposition of the working class meant a *wage explosion and a welfare explosion at once* that a traditional recession (1969-1970) could not even begin to contain. During the Nixon recession unemployment, welfare *and* wage rates rose while profits fell. By mid-1971 it was clear that the good old medicine no longer worked.

It is crucial to see that in this cycle of struggles capital's political problems do not stem only from what was *traditionally* considered as the wage front. Surely the relation between capital and the working class is not measured only on Fridays, since the struggle is over more than the paycheck. It takes on many forms; absenteeism, lower productivity, uses and abuses of the union structure (e.g., "cheating" on health benefits), pilfering and cargo theft, and the infinite degrees of sabotage ("counter-planning on the shop floor"). But even more importantly the struggle is not limited to the assembly line, the dock or the highway; it is equally expressed in the community. From Welfare struggles to rent strikes, from criminal activities such as shoplifting and robbery to direct appropriation attacks on supermarkets, from squatters to food price boycotts, we see the opening of a whole spectrum of working class struggles for wealth. The existence of these two levels of the class struggle (the factory and the community, the waged and the unwaged) is nothing new or peculiar to this cycle of struggles. What is new is the force each side has achieved and the rapid circulation between them that made any recession-unemployment-wage-cut sequence impossible.

Thus in this cycle of struggles each of capital's wage strategies was overturned. The attempt to link wages with productivity in the factory was met by demands for more money and less work. The attempt to link income with work met the welfare struggles. The attempt to enforce wageless work on certain sectors of the class was undermined by the organized emergence of wage demands of women, youth, G.I.'s, and prisoners.

Sociologists begin to worry. They see a "revolution of rising entitlements." The working class cares not for equality of opportunity. "What is now being demanded is *equality of result* — an *equal outcome for all*."<sup>3</sup>

The U.S. cycle exemplifies the international cycle only because the U.S. is the tip of an iceberg. At the international level, the working-class attack of the Sixties has completely turned around the world order first outlined at Bretton Woods. There, post-war development was relaunched on the basis of a) an intercapitalist agreement over a new redistribution of the traditional areas of imperialism and underdevelopment, and b) an historical experiment in "full employment," reformism for the working class of Europe and Japan, financed by U.S. budget deficits and managed by social democracy and the C.I.A.

In this way, the post-war strategy took the shape of international planning and management of the contradiction between development and underdevelopment. Within development, then the U.S.-Europe-Japan gaps would guarantee that the 1933-1946 power of attack of the North American working class would not be generalized to the entire "advanced area." It is precisely on such differences in the composition of capital that the multinationals began to move in the Fifties.

The Bretton Woods system reached a crisis when the international struggles made it plain that the entire setup *no longer afforded any margins*. As strategies for the containment of the working class, both development and underdevelopment have failed. In the U.S., Europe and Japan, development as shown itself as Watts, May 1968 in France, Italy's Hot Autumn, Japan's Spring Offensive, etc. "Full employment" has been turned into working-class revolution. (By 1974, the U.S. Europe-Japan wage gaps have practically closed. For Europe- and Japan-based multinationals, it may now be more convenient to invest directly in the U.S.) In the "Third World," as we have seen, underdevelopment has failed to curb the wage struggle of the waged working class and the income demand of the unwaged.

### Capital's Response

Capital's response to the international working-class attack can be described through the economic policy of the U.S. We can take August 15, 1971 as the beginning of capital's counter-offensive, when the U.S. Government, in a sudden tactical shift, *assumed the initiative* in the crisis imposed by the working class.

That traditional recession has been ineffective in curbing wages must be shown as an international characteristic of the wage struggles at least since 1969. In 1969 and 1970, it became apparent that the international wage offensive was proceeding unchecked by slowdowns and recessions.

Arnold Weber, one of the protagonists of the wage-price freeze and Executive Director of the Cost of Living Council, gives a lucid account

of the domestic political background of August 15.

By the end of 1970 the average first-year increase in newly negotiated collective bargaining contracts was in excess of 8 percent. But the bright spot did not appear. Collective bargaining developments in 1971 indicated that little relief was in prospect. The settlement in the can industry in the spring of 1971 became a target in aluminum and steel, resulting in first-year settlements calling for an estimated 16 percent hike in compensation costs. The prolonged work rule dispute in the railroad industry ground to an expensive, if not constructive, conclusion which permitted wages to increase over 40 percent over the 42 months beginning January 1, 1970. In the second quarter of 1971, the average first-year increase for major collective bargaining settlements was 10 percent... Thus in the summer of 1971 the measures of economic activity stood in painful proximity. Price trends were mixed, and vigorous pressures were still exerted on costs by sizable wage increases. Deflationary measures to deal with the situation were unfeasible or politically perilous. The budget for the fiscal year 1971 showed a deficit increase in excess of \$20 billion, at the same time that the money supply was increasing at a prodigious rate, partly in response to nudging by the Administration. Any strenuous effort to change these developments ran the risk of increasing unemployment to unacceptable levels in terms of political and national economic requirements... Any disposition to be "tough" was mitigated by the experience in the Fall of 1970 when the extended strike in the automobile industry appeared to have dealt a setback to efforts to restore a high level of economic expansion... With one great step, the Administration could dissipate the political pressures at home while seizing the initiative with its economic partners abroad. The proximate developments were the steady deterioration of the balance of payments and the attack on the dollar in international money markets... On the domestic scene, the basic steel producers and the United Steelworkers of America on August 1 reached a new labor agreement calling for an immediate increase of 15 percent in wage and fringe benefits, an indicator that cost-push pressure had not abated.<sup>4</sup>

There was but one solution, to undertake the crisis as a long-term strategy, that is, to pass *from cyclical recession to historical crisis*: by



explicitly attacking the European and Japanese working class (the 10 percent surcharge on imports that passes for inter-imperialist competition) and by generalizing a Government imposed anti-working-class attack at home (the wage freeze). Behind the 10% surcharge and the 5% wage ceiling of August 15 stood the atomic submarines and the National Guard. There was no rationalization for suddenly forcing a change in the exchange ratios among nations and within the international capital-wage relation besides the consideration that the new ratios established more favorable relations of power.

We now know that the measures of August 15 were too weak. By 1973 it became clear that capital had again underestimated the impact of the international class initiative. The working class was not blackmailed. In fact, the international boom of 1972-1973 provided an occasion for relaunching the wage initiative (March 1973 FIAT occupation in Turin, the Philadelphia teachers' strike, the summer wildcats in West Germany, the Jefferson Avenue assault in Detroit, the revival of struggle at English Fords, the Carletonville riots of South African miners, etc.)

Up until the late Sixties capital succeeded in making use of the international intercapitalist gaps to control the wage struggles.

Historically, the Western economies have been *out of step*. One or two countries, usually the U.S., West Germany, or both, would lead a business expansion or decline, and the other countries would follow a year or more later. *As long as demand remained weak* in one or more major industrialized nations, world resources and production capacity would not be strained.<sup>5</sup>

But the international attack of the working class in the late Sixties is reflected in the *international synchronization of the economic cycle* in the Seventies. In the words of a business economist, "the steady rise in per capita income has changed consumption patterns in most industrialized countries, making demand-management policies more difficult to implement."<sup>6</sup> The working class has forced unified business cycles and has then used the international boom to generalize the wage struggle.

The second dollar devaluation and the energy crisis *had to follow*. It was capital's needed strategic adjustment: double-digit inflation, stagflation, in short, deepening the crisis. The well-timed wheat sale to Russia set the stage for the creation of *shortages* in 1973, its agricultural prices suddenly became bargains on the world market. The surge of foreign demand into the U.S. market touched off an inflationary explosion of food and feed prices, at the very same time inflation was also being fueled by the price leap for imports. Later in the same year the Yom Kipper War, financed on both sides by the same capital and

managed by detente, and the “Arab” embargo triggered a fourfold increase in the price of oil.

This set the scenario for a new phase in the anti-working-class attack: “uncontrollable” inflation, multinational management of shortages, Kissinger’s politics of starvation and diplomacy of war.

### **The Crisis from the Viewpoint of Capital**

Capital understands the crisis as a *crisis of its command over labor*. In the very way capital chooses to describe the crisis, it focuses on productivity. The capitalist “scenario for survival” is littered with phrases like: “coping with shortages,” “finding capital” and “living with inflation” in the midst of the “breakdown of financial markets.”<sup>7</sup> But each of these has proven to be a consequence of the wage/productivity struggle of the working class.

Let us consider the *shortages* first. The fact that shortages reflect a great deal more than “excess demand” has become economic commonplace. For Allan Greenspan, “the wage escalation of the 1960’s reduced the rate at which managers were willing to run productive facilities. It became more costly to put men on overtime.”<sup>8</sup> Older plants once devoted to the production of basic materials were made uneconomic by high wage rates.<sup>9</sup>

In steel, nonferrous metal, industrial chemicals, paper, rubber and cement, there was not much left of “animal spirits” after the cost-push inflation that closed out the 1960’s and the recession that opened the 1970’s. Even after the recession, profits in most of these industries were lower than they had been since 1966 — lower in *current* dollars, unadjusted for inflation.<sup>10</sup>

Major materials shortages were sure to follow and they did.

Second, the class struggle has scared capital away from “entrepreneurial” investment toward “managerial” investment. In the Keynesian concept of “entrepreneurial investment”, additional investment means additional employment. Keynes, however,

was writing during the Great Depression when labor was cheap. In this era of wage inflation, the relationship between capital investment and employment has been maintained, but it has been increasingly channelled into projects that economize on labor.<sup>11</sup>

With managerial investment, additional investment does not mean additional employment, but additional savings on labor. In 1969, for example, steel companies in the U.S. reported 64% of plant and

equipment expenditure devoted to expansion and 36% to modernization. By 1973 the proportions were reversed: 28% for expansion and 72% for modernization. Capital shies away from living labor, but to do so it needs more capital. Capital is needed to offset rising labor costs, to increase productivity, to reduce the labor content of products, to do away with labor by making it more and more productive. Thus “finding capital” becomes the first imperative in the crisis. Capital needs are immense, on a scale never previously approached, at precisely the moment when the entire capital-raising network appears in a critical condition, squeezed between falling rate of profit and inflated interest rates.

The capitalist viewpoint, however, does not see “finding capital” as a simple technical problem. It sees it as a two fold political one. First as a problem of production which involves the imposition of increasing productivity and securing a satisfactory rate of profit. Second as a problem of the market and pricing which involves manipulating inflation as a source of capitalist accumulation. But these two problems merge into one when it is seen that inflation can only provide capital insofar as it is a means for imposing a stricter wage-productivity link on a social level. “We have no alternative but to attack the rate of inflation by increasing our productivity.”<sup>12</sup>

There is only one long term solution to the challenge of cost-push inflation: increased productivity. If labor’s real wages are to keep rising, then labor’s output per hour must rise by the same amount... In the second half of the Seventies, the U.S. must come to grips with the necessity of increasing productivity — not just an inch at a time, but a real quantum jump. *It must somewhat breakdown the restrictive work rules and practices that limit labor’s output.*<sup>13</sup>

The purpose of the capitalist strategy is to tilt the relationship between unpaid and paid labor, between capital and wage, back to a position that forcibly re-establishes the pre-eminence of unpaid over paid labor. We will see in the following sections how the “energy crisis” uniquely meets the requirements of capital’s strategy for the crisis. (1) The energy crisis reduces total employment; (2) it increases the threat of unemployment, both generally and in selected sectors (e.g., auto); (3) it allows capital to be accumulated *en masse* through huge price increases in those very sectors (energy and food) that are dominated by the most powerful capitalists, the U.S.-based multinationals.

Not surprisingly, *inflation*, the third part of the capitalist scenario, is an occasion for much ideology. Demand-pull inflation is said to be caused by imperialism and war while cost-push inflation is associated

with labor struggles at home. Thus for Keynesian liberals and neo-Marxists alike, the dynamics of inflation coincide with the cycles of imperialist wars while for Wall Street conservatives, wage-push is the universal source of inflation. In the Lekachman-Sweezy interpretation, the empire and its wars explain everything: the inflationary boom of the Sixties is the result of military spending; the 1969-1971 recession is due to a drop in defense contracts; and so on.<sup>14</sup> While for Harvard's Haberler in 1972,

wage push is an undeniable fact. It is overt when wages rise under conditions of unemployment because that clearly could not happen if there were competition in the labor market. It is not so clear, but it must be assumed a fortiori to exist, under conditions of high employment, because if unions are able to push up wages when unemployment is unprecedently high or rising, they are in an even better position to do so when unemployment is low and falling. It follows that even in clear cases of demand inflation it must be assumed that aggressive labor unions intensify and reinforce the demand pull by wage push.<sup>15</sup>

The current interpretation by capital and the Left describe the inflation process as one which assumes the form of a two stage cycle. In the first stage, imperial and military Government requirements generate demand-pull inflation. In the second stage, workers, reacting to the threat of inflation begin to anticipate price rises in their wage demands, in this way producing cost-push inflation. As always, the beginning is "the war", the struggle for independence of "Third World" nations. In the end, the North-American working class is "forced" to enter the scene and put up a "defensive" wage struggle.<sup>16</sup>

From the working-class viewpoint, we are not particularly interested in reconstructing the empirical dynamics of the inflation process, whether demand-pull or cost-push. We understand demand pull and cost push as simply two sides of the same "full employment" coin. We are interested in inflation exclusively for what it reveals about the class relationship. Inflation is the sign of working-class struggle in the capitalist cycle. Since the Great Depression, inflation has been systematically used to contain the wage initiative of the working class. The "monetary illusion" is the main focus of the Keynesian acceptance of demand as the basis for economic development. Once capital has come to accept the working-class wage demand, it must regulate it. It must transform the working-class wage attack into a manageable internal demand. But, in its struggles since the New Deal, the working class has enthusiastically used "full employment" as a condition for generalizing

and sharpening the wage struggle.

The working class imposed "full employment" strategies on capital and then used them to overturn the power relationship between itself and capital. In the Sixties the wage demands of the traditional sectors of the working class became explosive *and* they detonated income demands in the social factory. Capital, therefore, had to respond with *both* full employment and the Great Society programs. When the wage/welfare struggles in the U.S. met the international relaunching of the wage struggle, at that point, under the pressure of international attack, inflation might well have gotten "out of hand." The fine-tuned "new inflation" of the New Economics had given way to the "runaway inflation" of the crisis. Inflation got out of control when capital was no longer able to contain the wage struggle through anti-cyclical fiscal and monetary manipulation, i.e., through traditional planned recession. For what had gotten "out of hand" was the wage demand of the working class. At that point, the passage from cyclical recession to historical crisis that we have described was the only alternative open to capital.

We have seen that shortages and inflation are first forced on capital by working-class struggle. In the crisis, capital tries to regain the initiative by taking on shortages and inflation together, i.e., by *causing inflation through the production of shortages*, particularly in energy and food.

From the capitalist perspective, energy is recognized as the *fundamental technological tool for the international control of the working class*. First of all, it is a *replacement for labor*.<sup>17</sup> Since the War, capital has increasingly dealt with the working class on a daily basis by replacing labor with energy. Rapidly rising labor costs have met steady oil prices. As a result, by 1970 the manufacturing sector of the U.S. economy used 66% more energy but only 35% more labor than in 1958. In its immediate application to the process of production, energy frees capital from labor. It follows that control over the availability and price of energy means control over the technological conditions of class struggle internationally and also control over economic development.

The cost of energy, moreover, plays an essential part in determining the international structure of *demand*. High-energy industries will raise their prices first. As a result, consumer spending will drop first in those very sectors that make up the bulk of working-class demand: fuel oil, household appliances, motor vehicles, gasoline, cleaning products, knitted goods, drugs, etc. Higher oil prices raise the profits of the energy multinationals as they hurt the demand of consumers.

This transfer of income could be painful. The oil industry uses much less labor and more capital than do most other industries. And so the transferred income will benefit mainly

profit recipients rather than wage earners...Thus higher oil prices imply *more savings and less consumption*.<sup>18</sup>

In this way the energy multinationals, through their control over supplies and their virtual independence from labor, take leadership in the accumulation of capital and in the international political control over the working class.

### **The Energy Crisis**

The present identity of interests between multinationals and OPEC rulers is revealed by the price hikes and embargo following the Yom Kippur War. For capital accumulation by OPEC is also capital accumulation by the Seven Sisters. Thus prices in the world market are allowed to dictate price levels in the U.S. even though the U.S. is two-thirds self-sufficient in oil. The profits of OPEC countries and of the oil companies can *together* finance the enormous capital spending projected for the years ahead.

It has always been clear that in the long term reinvestment of the oil funds both in OPEC and in the oil-consuming countries is the only solution. For the multinational experts of *Foreign Affairs*, the crisis represents "a great opportunity."

Paradoxically, there is a great opportunity which lies beneath the surface of this immense "recycling" problem. In essence, the world today is starved for capital. Greater investment not only in the OPEC countries but everywhere is an essential condition for the enlargement of output and lowering of real costs that offer the most effective counterforce to persistent world-wide inflation. In this situation, *consumer payment for high-priced oil in the importing countries represents* a diversion from other forms of consumption, in effect *a form of forced savings*, with the proceeds of these payments becoming, at least in part, investible funds in the hands of the OPEC countries. If the OPEC countries, in turn, had the proper outlets and were ready to employ their investible funds, they could make a crucial contribution to the capital formation that the world so urgently needs.<sup>19</sup>

But in the short term, capital faces certain problems: a breakdown of the stock market and a balance-of-payments deficit for oil-consuming countries.

Consider the stock market. As an institution, the stock market can only survive under two conditions: low interest rates and stable or

growing rates of return on invested capital. As we have seen, the class struggle of the Sixties has imposed inflation-high interest rates and a falling rate of return. A recent re-appraisal of the trend of the rate of return shows that "the 'genuine' after-tax return on invested capital of nonfinancial corporations has been downward since 1965... It fell from 10% in 1965 to 5.4% in 1973... The downward trend continues."<sup>20</sup> The decline of the stock market becomes all the more visible as it fails to recycle the OPEC surplus funds. The widely noted OPEC strategy of short-term deposits is imposed by the realities of the money markets, in particular by the increasing depreciation of stock. For capital, the recycling question is not a specifically financial question at all. It is part of a general political problem of reversing the downward trend in profits, or how to guarantee a satisfactory return on investment. In the words of a Harvard economist,

the declining rate of return stands the whole question of a capital shortage on its head... It is no longer a question of whether businessmen will have enough savings to invest, but rather of *whether they will want to invest*.<sup>21</sup>

Under such conditions of uncertainty, says a Wall Street man, "investors are no longer willing to invest their savings in securities and the nation's capital-raising machinery is gradually dissolving... This foreshadows the end of the free-enterprise capitalistic system as we have known it."<sup>22</sup>

Capital has moved in the crisis to a completely *closed circuit* outside the market. Corporations will have to rely on a combination of internal financing and loans from the banking system. "Recycling" must occur through the banks and government-to-government transactions. This is then the meaning of the energy crisis: capital *escapes* from those sectors of investment and those geographical areas where the wage struggle has taken its toll on accumulation. Through inflation, it transforms working class income from the U.S., Western Europe and Japan into oil profits and OPEC "surplus" funds. This transformation implies, among other things, an increased independence of capital from the money markets and a greater political concentration of capital in multinational hands. In a sense, this flight of capital is simply a *tactical retreat*; a precondition for a new world-wide wave of multinational investment.

This identity of interests between the U.S. and OPEC countries goes way back. In 1950 the State Department, in collaboration with the Treasury Department, granted the oil companies substantial foreign tax credit. This tax credit put a premium on the interest of oil companies in multinational operations at the same time that it increased the share going to the Governments of oil producing countries.<sup>23</sup>

The price of oil, in the meantime, was kept stable. On the availability and stability of "cheap oil," capital built its control over the working class both domestically and internationally since World War II. In the U.S., a whole phase of capitalist initiative, based on the auto industry, the interstate highway network, urban planning, etc., was based on "cheap oil." In Europe, post-war economic development subsidized by the U.S. government created a market for oil that the Seven Sisters were quick to penetrate, expanding their share in it fivefold between 1955 and 1970. By the Sixties, oil controlled economic development everywhere. By 1971 it had become the "oil weapon."

The price hike of the Teheran agreement (1971), jointly imposed by OPEC members and the U.S. State Department, dealt a first preliminary blow to the working class in Europe and Japan. In 1973, the Yom Kippur War marked the beginning of a new multinational anti-working-class offensive led by the U.S. It caused simultaneously an intensification of the attack on Western Europe and Japan, an escalation of an anti-working-class attack in the U.S. and starvation in selected parts of the "Third World".

In 1973, the bulk of the Seven Sisters' profits came from sales to Europe and Japan. At the end of the year, *The Wall Street Journal* could editorialize with satisfaction:

It seems like just the other day everyone was worried that Japan was going to buy up the rest of the world at the same time it was burying it in Toyotas and Sonys... Doomsayers here and abroad were concluding that for the U.S. the party was over... The Arab oil squeeze has changed all this... The oil embargo stripped Japan of its aura of industrial invincibility... Even when the oil embargo ends, the higher prices will remain and no doubt advance. Every increase further changes the terms of trade to the disadvantage of Japan and Western Europe.<sup>24</sup>

By 1974, however, the oil weapon was turned against the North American working class and big profits were squeezed out of the U.S. market.

Behind the ritualistic position of diplomatic adversaries that the U.S. and OPEC countries necessarily entertain during international bargaining sessions, stands their Holy Alliance. OPEC rulers can maintain their earnings and thus their own power only if oil demand or oil prices strengthen in the years ahead. As far as the surplus funds are concerned, "We don't have to beg them to invest in oil-consuming countries," says a Federal Reserve System economist, "They have no choice."<sup>25</sup>

The U.S. and the multinationals also need OPEC as a major market



for goods and as a main source for loans. In 1974, total OPEC imports were up 50 percent. The considerable expenditures on the infrastructures and internal development programs undertaken by the OPEC rulers will have the effect of strengthening consumers' markets in the more populated OPEC countries. Finally, "whether the U.S. faces a credit crunch later this year (1975) and an aborted economic recovery may depend on persuading OPEC countries to help finance the enormous budget deficit."<sup>26</sup> Saudi Arabia's Minister of Finance has said: "We feel our responsibility to the whole world."<sup>27</sup> While a Wall Street consultant recently reminded his clients, "they (the Arabs) haven't done anything silly."<sup>28</sup>

However, it is class struggle — working class struggle in industrialized countries and the wage pressure of the unwaged in the OPEC countries — not "imperialism" or "monopoly capital" that has brought this alliance into being. Where the class struggle, and the class struggle in the OPEC countries in particular, might eventually bring this alliance, is a different question.

For the Holy Alliance, the problem is not at all the high price of oil. High oil prices, as Kissinger has recently explained, are in everyone's interest. The important question is *control over development*, control over who is going to develop and so *control the movements of the working class*.

We can begin to glimpse something of the new class dynamics inside OPEC. The more populous members — Iran, Algeria — are under powerful wage/demand pressure. Given that their collective surplus funds have fallen from \$27 billion in 1973 to \$4 billion in 1974, the World Bank's latest estimate is that by the end of the Seventies, they will spend everything they will earn on internal development. But what kind of "internal development"?

The forms of struggle arising in the Mid-East will determine the course of development, and it would be rash to delimit them at this point. However, it must be clear that the "Palestinian Question," the Arabian importation of masses of labor power from Africa and Asia, and Persian "industrialization" represent a dynamics of class struggle that belongs to the present crisis and neither to a "pre-industrial past" nor to a mere repetition of previous struggles in the West. It is not inevitable that the assembly line will be dismantled in Detroit and whisked in Bandar Abbas. That will depend upon the level and kind of class struggle the Arab and immigrant proletariat determine. Indeed, there are indications that laborless oil and petrochemicals will constitute the leading growth sectors in countries like Iran as well as in the most "developed" areas. In that case, the new "model of development" would

be *the crisis*.

The higher price of oil attacks the working class as a whole; this general attack on the class is founded on a discriminatory attack on the "marginals" or on low-waged and unwaged workers. Clearly, this kind of inflation indicates the end of the Keynesian era. In the crisis, it becomes a means of reducing the total wage and of selectively repressing the working class, whereas previously inflation was used as a means of managing demand, correlating wages with productivity and so producing economic development.

But along with the passing of Keynesian inflation goes Keynesian *unemployment*. This is indicated statistically by the higher rates of unemployment in the "advanced" capitalist countries, but the quantities hide the selectivity and its planned duration. Unemployment is not to be used as a transitory device to temper wage demands within specific sectors rather what is at stake is the *destruction and re-ordering of sectors*. Unemployment becomes the tool of restructuring by cutting and freezing out specific working-class vanguards defined, by capital, either occupationally (autoworkers, construction workers), racially (blacks), sexually (women), or by age (young). Through unemployment capital must teach a lesson to the protagonist of urban insurrection and of factory and welfare insubordination. Unemployment must also punish feminism, the insubordination and the wage struggle of women; it tries to push women back into the family, that is, into wagelessness. Finally, unemployment must restrain the young who have learned insubordination in school and in the army and have used part-time work and the "youth culture" to struggle against work.

But this sectorial destruction involves the "freezing" of whole blocks of the working class. It is politically impossible to do this in the good old way of beggary and starvation, rather it must be tactically managed with anxious care. So we have a whole new constellation of unemployment insurance, food stamps, mortgage loans, public jobs and workfare for the "new poor".

Let us now sum up capital's analysis of the crisis. Its strategic perspective appears to be dominated by the need to impose (more) work, to increase productivity, to re-establish the supremacy of dead labor or accumulated capital over living labor and so over the working class. The capitalist line of thinking is classically simple: a) capital fails to command (enough) labor. This means that b) more capital is needed to command labor. Therefore, c) more labor must be squeezed out of production. The capitalist mind is aware that this sequence is ultimately a vicious circle. Hence its outburst of despair over survival and the revival of a stagnationist mood among political economists.

## Supply Management and the Crisis of Auto

Supply management, or the controlling of inflation through international commodity shortages, represents capital's departure from a directly political level of confrontation that the working class has assumed. It appears, at the outset, not as a confrontation between the working class and the State as demand management did; but, in effect, as a contradiction within the working class. So it is presented as a contradiction between the "developed" and the "underdeveloped" world, between excessive consumption and excessive procreation in a zero growth, depleted and impoverished planet.

In fact, the crisis of demand management highlights the *end of an era* in the class relation. One could call it the *era of auto*, the *age of Keynes*, when the control of the working class was based on mass production, on the *assembly line*, and the parallel acceptance of *working-class demand* as the stimulus for economic development. The age of Keynes necessitated a new role for the trade-union, as the official mediator of class struggle and direct controller of the working class, and a new role for the State, as planner of the class relationship, protagonist of capital's general initiative and manager of the cycle. Above all, the era of auto witnessed the theoretical and practical discovery of the *cycle as the new form of the relationship between capital and the working class*.

The four decades between the beginning of the New Deal and the energy crisis have openly shown that the economic cycle is a cycle pushed by the wage struggle, mediated by the trade-unions and fine-tuned by the State. Again and again, the world over, the working class has used the cycle as an occasion for generalizing and internationalizing the wage struggle. Again and again, the world over, assembly-line workers and mass workers have been in the forefront of the wage attack. Demand management and the assembly line — together they were to guarantee economic development. Instead, they have unleashed a formidable class struggle.

In the crisis, demand management by national Governments gives way to supply management by multinational corporations, while assembly line production enters its last historical phase.

Capital has had troubles with the assembly line and with mass workers ever since it first started using them. In the U.S. each major cycle of working-class struggle has been followed by a renewed capitalist attempt to isolate the assemblers by a wave of "runaway shops" in textiles, electronics, auto, steel, etc. After the sitdowns of 1937, after the post-war strike peak of 1946, then again during the second half of the Sixties, capital engaged in successive waves of industrial investment

abroad, i.e., it intensified the export of production jobs overseas while focusing on the development of the "service sector" at home. In the short term, the multinationalization of the factory and of the assembly line seemed an adequate solution. In the long term, of course, it only relaunched the problem world-wide.

The sustained world-wide wage attack that the working class has carried out between 1967 and today has been, in part, based on the initiative of the assemblers and, in particular, the autoworkers. By the early Seventies, autoworkers were on the attack everywhere, in Detroit, Tokyo and Turin as much as in Barcelona and in Villa Constitucion. They were on the attack not only where capital has brought the "third world" to the factory, as in the case of "guest workers" in Germany and France but also where it has brought the factory to the "third world", as in Argentina and in Spain. This is an important fact, for it obviously demonstrates that the process of the international re-composition of the working class (of which the tendential homogenization of wage levels is only one result) has undercut capital's strategy at its very roots. Capital is quickly running out of places to run away, and the working class is still on the offensive. What follows then is the only solution: the crisis of auto, of labor-intensive production, that is, the de-mobilization of autoworkers, of assemblers, of production workers at large.

In the crisis, capital comes to accept that the working-class struggle has rendered labor-intensive industry obsolete in its role as accumulator of capital. To the historical crisis of labor-intensive production, corresponds a tremendous development for capital-intensive industry, particularly the energy multinationals, where capital has obtained extreme concentration, complete control over supply and virtual non-dependence on labor. With one move, the energy crisis marked the beginning of the auto crisis on the one hand and produced stepped-up accumulation for oil and petrochemicals, etc., on the other. This is the only real "technological leap" of the crisis: no growth, recession and restructuring for troubled labor-intensive sectors; quantum-leap growth and leadership in accumulation for energy-intensive sectors and for energy itself.

The crisis of auto represents the end of an era in the class relation not the simple obsolescence of the car. Cars will still be produced. Some "Third World" countries will be playing a role in automotive production. G.M. has just started production Teheran, while FIAT has been building its new pole of development in Belo Horizonte, Brazil. But the organization of production will be different as is made clear elsewhere in this issue.

## Capital's Multinational Strategy

The general form of capital's initiative today is *disequilibrium*. Capital must attempt to transform a crisis imposed by the working class attack against profit into a re-structuration of its own circulation through disequilibriums. Capital's objective becomes a fragmentation of the working class on which a new capital re-composition can be based. It must depart from wherever it has met the class struggle and concentrate on new and different possibilities of control of the working class. It must attempt to *separate* the struggles of the international working class and to play development and underdevelopment against each other. That is, capital must respond *multinationally* to an *international* working class.

These are the opposing movements of the class struggle today: the international political homogenization of the working class *versus* the multinationalization of capital. The working-class struggle constantly overcomes national differences; multinational capital coordinates them internationally. In fact, the multinational corporation is *based on* the national difference, on the economic and political exploitation of the national difference throughout the international articulation of the world's labor and commodities markets. Thus the national difference is no paleocapitalist heritage; it is a primary tool for the control of the working class at its historically highest level of political re-composition.

Of course, this holds true for any determination of the national difference: sex, race, ethnicity, etc. "Racism" is a thing of the future. Mass migration, ghettoization, systematic discrimination are "advanced capitalist" tools, not leftovers from a mythical pre-capitalist stage. Even in this, the U.S. shows its role of historical vanguard. Europe is now facing its own "race problem," that is, mass production firmly in the hands of racial ghetto dwellers; while Canada rushes to put a lid on the immigration of non-whites. In the "Third World", poles of development are creating and corroborating new dynamics of racial segmentation. Oil money has already started a whirlpool of fresh multinational labor power in the Mid-East in general and in Saudi Arabia in particular; further the key to class composition in Africa is racially defined migratory labor.

This is why the problem of the nature of "imperialism" (whether "pillage of the Third World" or "stage of economic development") is a false problem. The new multinational imperialism as such is neither for underdevelopment nor for development, neither for "Fascism" nor for "democracy." It is for *both* at the same time: for Fascism in Chile and for "democracy" in Greece. As general capitalist strategies, both underde-

velopment and development have failed. For capitals' multinational initiative the question now is how to directly oppose development and underdevelopment against each other, *how to make underdevelopment work completely inside development*, how to multinationally re-impose the contradiction between development and underdevelopment as a *contradiction within the working class*. What that means today is a worldwide increase and internationalization of underdevelopment. Thus, with regard to the traditional areas of Development and Underdevelopment, we witness two opposing dynamics: underdevelopment of Development (the "Latin-Americanization" of the U.S., Britain, and Japan) and a development of Underdevelopment, which includes both a new wave of development (e.g., Iran) and increased underdevelopment (e.g., India). The dynamics of managed food and energy "markets" reflects this strategy of disaggregation most clearly, for example when Iran and India must compete for fertilizer and wheat within U.S.-planned multinational shortages.

Like development and underdevelopment, "democracy" and "fascism" are assumed by Capital not as opposing capitalist strategies (for as such they have both proved inadequate), but as *tactical weapons*. The countries in which the class struggle has developed the furthest have shown this aspect more clearly. In Chile, for example, capital has made use of the Christian Democrats-U.P.-Army *sequence* for the control of the working class. Greece has shown the other face of the process: politically defeated military rule giving way to experiments in a "civilian" or "mixed" control over the working class. Argentina has expressed the whole movement as a continuous passage of initiative from civilian to military rule and then back again, a most obvious sign of the ungovernability of the working class. In this respect, the Portuguese situation has gone even further, toward the dialectical identity of civilian and military rule, with the Army at the Ministry of Interior and the Communist Party at the Ministry of Labor.

Under the attack of the working class, the traditional political differences in the democratic "body politic" disappear, and the function of the "body politic" as a whole becomes purely repressive: to impose work on the working class by whatever means necessary, whether by democracy, Fascism or Socialism. National-Emergency governments, last-minute attempts to contain the working-class explosion spring up everywhere, with the Army already overseeing the political process. In the crisis, the working class directly clashes with the political system *as such*. The entire political system, from the C.P. to the Army, is completely hostile; it is capital. The struggle is between the political system's enforcement of work and the working-class struggle against

work.

"Food is a weapon," says the U.S. Secretary of Agriculture. "It is now one of our principal tools in our negotiating kit," echoes the C.I.A.<sup>29</sup>

Only days after President Ford approved the sale of 2.2 million tons of wheat to the Soviet Union..., Kissinger told Indian officials that the U.S. would be able to supply about 500,000 tons of grain at reduced prices in the next months to help meet the Indian crisis. India needs at least seven million tons to overcome her deficit.<sup>30</sup>

As the single most important component, or the core of working-class consumption the world over, food plays a central role in capital's international attack. The lower the income, the higher the portion of it that must be spent on food. At the lowest level, and the lowest level is a *mass* level, one's entire income buys malnutrition and starvation.

Where increased underdevelopment is chosen as the local form of multinational rule (for example, India and Bangladesh), hunger and absolute deprivation become the essential tools of control. Workers who do not eat enough cannot earn enough to feed themselves.<sup>31</sup> Where increased underdevelopment is chosen, the food crisis means control of the hungry through the food dole, i.e. planned malnutrition, mass migration backed by force, concentration/relocation camps, etc. Today, one third of the urban population in the "underdeveloped world lives in "slums and squatters' settlements." By 1980, that proportion will rise to two thirds.<sup>32</sup> The *new city slum* in Asia, Africa and Latin America is and will increasingly be a major protagonist in the class confrontation. For capital, the slum is a means for doling out controlled sub-survival. For the working class, it is a possibility of income, a new mass level in the wage struggle. The United Nations is piously striking a warning.

Squatters' settlements are new areas created by their own inhabitants to protect themselves and mobilize minimal resources. The occupants of shantytowns at the outskirts of big cities are *united in common cause*. Initially, they can only afford a primitive shelter, but they may quickly press for higher living standards, schools, and health care.<sup>33</sup>

For the working class in the developed countries, the food crisis means that it is required to "share the burden" of feeding the "Third World," by eating less and by paying more for food. The starvation of underdevelopment is pitted against the living standards of the working class in the metropolis. Within the metropolis, food operates with the same mechanism of division as it does internationally: lower-income consumers pay more for their food than higher-income consumers.<sup>34</sup> Hunger, starvation become absolute terms of reference for the working

class internationally. The absolute deprivation of the Chilean working class since the military coup must teach something to the working class everywhere.

It takes a most rigorous *planning* to turn a potential abundance of food into such fine-tuned food scarcities as are necessary for the political control of the working class. Capital makes use of everything and everybody to limit the food supply: from "feudal landlords" and "corrupt leaders" in the "Third World," to federally ordered "setting aside" practices; from detente with Russia to the highly sophisticated market manipulations of the energy/food multinationals.

Less than two weeks after the deal (the 1972 wheat sale to Russia) was consummated . . . Secretary of Agriculture Earl Butz announced that during the 1973 wheat-crop year farmers would be required to "set aside" the maximum acreage authorized by law.<sup>3</sup> In these ways, capital manages to keep up a marginal situation extending into the future in which *anything*, from market transactions to changes in the weather may precipitate mass starvation. Planned scarcities allow for diplomacy by "triage," or, to use a favorite euphemism, "let nature take its toll." At its historically highest level of development, capital rediscovers "Nature" as starvation, as death coming from shifting monsoons.

### The Crisis of Economic Theory

The separation of the working class and production is the culmination of capital's long-term progressive attempt to free itself from labor, but in order to do away with labor capital must make it more and more productive. "The increase in the productive force of labor and the greatest possible negation of necessary labor is the *necessary tendency of capital*."<sup>36</sup> The fundamental mechanisms of the capitalist relation (the extraction of relative surplus value, the falling rate of profit, etc.) are bound up with this, for it is the capitalist tendency *par excellence*.

In the crisis, however, capital begins to test a *new level* in the development of this tendency: the production of wealth without labor. We see this most obviously in two fundamental sectors of the crisis: oil and food. The cost of producing a barrel of oil is a little over a dime; so stripped of profits, royalties and taxes, oil is virutally *free*. On the other hand, U.S. *agriculture*, the most powerful producer, the one upon which the entire world food situation has come to depend, employs only a minute fraction of the North American labor force. Capital has come to achieve laborless production in precisely those sectors which are essential for controlling the working class: energy and food. Capital



needs a free hand in wielding its weapons. It follows that no autonomy of labor can be allowed in such crucial sectors.

This new level in the development of the “necessary tendency” of capital — the production of wealth without labor, itself the result of a dynamics of the class struggle that Marx analyzed — has remained completely beyond the reach of the Marxists tradition and of neo-Marxist today, whether of a Social-Democratic, Bolshevik, or “libertarian” variety. True, there has been a “rediscovery of Marx” within the setting of the crisis and the breakdown of economic theory, but the Marx that parts of capital and the Left have discovered is Marx the *economist* of the falling rate of profit and the labor theory of value. Capital’s understanding of the crisis is based on the recognition of a dramatically falling rate of profit, whereas capital’s strategy for the crisis is firmly grounded on a labor theory of value. Has capital finally turned Marxist? *Apparently* it has. The class struggle has done away with any dreams of equilibrium and development. It has dispensed with Say, with Shumpeter, and with Keynes. For capital the only economist with enough hold on the class struggle is Marx. Really, Marx is the only “economist” who never forgets the class struggle within the context of the labor theory of value. Thus the “new” Marx is only a continuation of a “Marxism” concerned with a more progressive *management of labor*, i.e., with the imposition or self-imposition of work, through the trade-unions, collectivization, or “self-management of production.”

Whereas “Marxists” project labor as an eternal human necessity and are fond of *planning work* by Socialist means — whether “from above” or “from below” — the capitalist *reality* is already beyond work. It is with this recognition that we find the Marx, of the working class viewpoint. For what we are witnessing is nothing less than the abolition of productive work within the capitalist mode of production itself. This new step, missed as it is by contemporary “marxists,” is in fact anticipated in Marx’s own analysis of the necessary tendency of capital.

Because of the insights they afford into today’s class situation, we will quote at great length from Notebooks VI and VII of the *Grundrisse*, and will then briefly emphasize some of the points. Let us start from the definition of the ‘necessary tendency’ we have already quoted, and proceed from there.

The increase of the productive forces of labor and the greatest possible negation of necessary labor is the *necessary tendency of capital*... The transformation of the means of labor into machinery is the realization of this tendency...<sup>37</sup> In machinery, objectified labor itself appears not only in the form of product or of the product employed as a means of

labor, but in the form of the force of production itself... [With machinery] the accumulation of knowledge and of skill, of the *general productive forces of the social brain*, is... *absorbed into capital*, as opposed to labor, and hence appears as an attribute of capital, and more specifically of *fixed capital*, in so far as it enters into the production process as a means of production proper...

Further, in so far, as machinery develops with the accumulation of society's *science*, of productive forces generally, *general social labor presents itself not in labor but in capital*. The productive force of society is measured in *fixed capital*...<sup>38</sup> [T]he transformation of the production process from the simple labor process into a scientific process, which subjugates the forces of nature and compels them to work in the service of human needs, appears as a quality of *fixed capital*...<sup>39</sup> Thus all powers of labor are transposed into powers of capital.<sup>40</sup>

[T]o the degree that large industry develops, the *creation of real wealth comes to depend* less on labor time and on the amount of labor employed than on the power of the agencies set in motion during labor time, whose 'powerful effectiveness' is itself in turn out of all proportion to the direct labor time spent on their production, but depends rather *on the general state of science* and on the *progress of technology*, or the application of this science to production... *Agriculture*, e.g., becomes merely the application of the science of material metabolism... Real wealth manifests itself in the monstrous disproportion between the labor time applied, and its product... [The] worker steps to the side of the production process instead of being its chief actor. In this transformation it is neither the direct human labor he himself performs, nor the time during which he works, but rather the appropriation of his own general productive power, his understanding of nature and its mastery over it by virtue of his presence as a social body — it is, in a word, the development of the social individual which appears as the foundation-stone of production and of wealth. The theft of alien labor time, on which the present wealth is based, appears as a miserable foundation in face of this new one, created by large-scale industry itself. *As soon as labor in the direct form has ceased to be the great well-spring of wealth,*

*labor time ceases and must cease to be its measure*, and hence exchange value [must cease to be the measure] of use value. The *surplus labor of the mass* has ceased to be the condition for the development of general wealth, just as the *non-labor of the few*, for the development of the general powers of the human head. With that, production based on exchange value breaks down and the direct, material production process is stripped of the form of penury and antithesis. The free development of individualities, and hence not the reduction of necessary labor time so as to posit surplus labor, but rather the *general reduction of the necessary labor of society to a minimum*, which then corresponds to the artistic, scientific, etc. development of the individuals in the time set free, and with the means created for all of them. *Capital itself is the moving contradiction*, [in] that it presses to reduce labor time to a minimum, while it posits labor time, on the other side, as sole measure and source of wealth... On the one side, then, it calls to life all the powers of science and of nature, as of social combination and of social intercourse, in order to make the creation of wealth independent (relatively) of the labor time employed in it. On the other side, it wants to use labor time as the measuring rod for the giant social forces thereby created, and to confine them within the limits required to maintain the already created value as value.<sup>41</sup>

*The creation of a large quantity of disposable time* apart from necessary labor time for society generally and each of its members..., this creation of not-labor time appears in the stage of capital, as of all earlier ones, as not-labor time, free time, for a few. What capital adds is that it increases the surplus labor of the mass by all the means of art and science, because its wealth consists directly in the appropriation of surplus labor time... It is thus, despite itself, instrumental in creating the means of social disposable time, in order to reduce the labor time for the whole society to a diminishing minimum, and thus to free everyone's time for their own development. But its tendency is always, on the one side, *to create disposable time*, on the other *to convert it into surplus labor*...<sup>42</sup> The more this contradiction develops, the more does it become evident that the growth of the forces of production can no longer be bound up with the appropriation of alien labor, but that the *mass of workers must*

*themselves appropriate their own surplus labor.* Once they have done so — and *disposable time* thereby ceases to have an *antithetical* existence — then, on one side, necessary labor time will be measured by the needs of the social individual, and, on the other, the development of the power of social production will grow so rapidly that, even though production is now calculated for the wealth of all, *disposable time* will grow for all. For real wealth is the developed productive power of all individuals. The measure of wealth is then not any longer, in any way, labor time, but rather disposable time.<sup>43</sup>

Let us sum up the essential points of Marx's analysis.

With the development of machinery and the application of science to production, the productive powers of society appear embodied not in labor, but in capital, namely in fixed capital. In so far as machinery develops with the accumulation of science, general *social labor presents itself not in labor but in capital*. “[A]ll powers of labor are transposed into powers of capital.”<sup>44</sup>

The creation of real wealth comes to depend increasingly less on labor and labor time and increasingly more on the general state of science. *Science becomes immediately productive*. Real wealth manifests itself in the “monstruous disproportion” between labor time and products. The development of large industry turns the proportion between necessary labor and surplus value (i.e. the degree of productivity of necessary labor) into a relationship devoid of significance because of how tiny necessary labor has become compared to the huge mass of accumulated dead labor employed in production. The new qualitative leap in the historical development of the capitalist mode of production is not only a further reduction of necessary labor time (i.e., a further increase in the productivity of labor); it is above all a radical devaluation of labor time as an essential component of the process of production. In the Tendency, capital is pushed *beyond value*. Once labor ceases to be the well-spring of wealth, value ceases to be the mediation of use-values. With a radical revaluation of labor corresponds the suppression of the law of value and then any relationship between value and price is severed.

Thus capital necessarily moves toward the “non-labor” of the mass, the reduction of the necessary labor of society to a diminishing minimum and so a new productive arrangement in which wealth is no longer measured by labor time but by disposable time, no longer by the yardstick of capital but by the yardstick of the working class. “Capital works towards its own dissolution as the force dominating production.”

This movement toward the dissolution of capital, however, is a

contradictory process. Capital itself *is*, in fact, the moving contradiction: while on one side it reduces labor time to a minimum on the other it wants to use labor time as the sole measure of wealth. That is, the very moment capital does away with labor *in production*, it attempts to impose labor again as *a form of control of the working class*.

Let us leave the question of what Marx "really meant" aside for Marxologists to consider. We are interested in how the "necessary tendency" is specified in the class relation we are living in. *In the crisis*, this tendency reaches its highest peak, and the production of wealth without labor is recognized as the *dominant mode of production*. The working class perspective of *no work*, then is neither a Communist utopia nor a capitalist tendency. It is simply the new basis of material production.

As we have seen, however, capital turns such amazing new productivity into a multinational *redistribution of scarcity*; this scarcity is then used to *enforce work* on the class. This is the basic contradiction in the class relation today: on the one hand, laborless production liberating capital from labor as a value-producing activity; on the other hand, enforcement of work as an instrument of political control. This is the reason for the tremendous emphasis that the capitalist perspective places on *more work* as the way out of the crisis. It is not at all a question of capital's "false consciousness": more work *is* absolutely crucial for any capitalist "solution" of the crisis. But what is "work", then, when it is no longer productive activity?

It is imposition of political control in its purest form: forced activity for the working class and re-affirmation of capital's power as control over the class. When the productive appearance and economic justification of labor are taken away what is left is the general political characteristic of the capitalist relation, defined by Marx (with regard to factory work) as "*regimentation,... discipline, regularity, and posited dependence ... on capital.*"<sup>45</sup> In a word, what is left is the exercise of capital's command as the power to control the political behavior of the class and so to contain the anti-capitalist struggle. The economists are right when they are asking for more work. This is precisely what capital needs: more control over the working-class struggle.

Capital's doing away with labor, or the separation of working class and production, is not the result of any abstract "scientific progress." On the contrary, it is a result of the struggle of the working class. This is why the capitalist outcome of the "necessary tendency" can not be full "automation" (capital's long-standing dream of ultimate technological achievement), but it must be the imposition of work which is the assertion of capital's control over the class through the crisis.

## FOOTNOTES

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22. Quoted in BUSINESS WEEK, September 14, 1974, pp. 120 and 126.
23. In 1950, ARAMCO paid Federal taxes of \$50 million. In 1951 it was \$6 million. While in 1950, ARAMCO paid \$66 million to Saudi Arabia. In 1951 this jumped to \$110 million.
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26. THE NEW YORK TIMES, April 20, 1975.
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31. According to an M.I.T. nutritionist, "in regions where malnutrition is common...laborers often have to be given tasks that take only two to three hours a day. Men and women can't work longer on the calories their meager diet provides. This lack of productivity tends to be self-perpetuating. The person who can work only a few hours a day can't earn enough to buy the food that would make a longer workday possible, (Quoted in THE NEW YORK TIMES, October 6, 1974).
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## **SEX, RACE AND CLASS**

Foreword by the Editor of RACE TODAY

Introduction by Barbara Beese and Mala Dhondy of the London  
Black Women's Group.

Sex, Race and Working Class Power by Selma James of the Power  
of Women Collective, UK.

Discussion by correspondents to RACE TODAY

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## **Crisis In The Auto Sector**

**Peter Linebaugh & Bruno Ramirez**

The current auto crisis has its most immediate roots in the type of control that auto producers sought to impose on their workforce during the last decade. Fundamentally, the crisis reflects an impasse in the relations of power between capital and the working class, an impasse which in recent years has been made more visible by the ongoing upsurge of autoworkers' struggles. Clearly, the expansion that the auto industry experienced internationally during the Sixties rested on a number of factors that were not destined to last.<sup>1</sup>

One such element was auto capital's remarkable mobility on an international level in search of geographical areas which not only would provide cheap and fresh sources of labor power but would also guarantee the stability of accumulation. Another element, particularly in the industrialized areas, was auto capital's access to fresh supplies of labor power whose characteristics made it prone, at least in the short run, to high levels of exploitation.

In Europe during the Sixties immigrant labor performed this function of expansion for the auto industry. As the *Economist's Intelligence Unit* (second report) explains,

The plentiful supply of relatively undemanding labour, young and hard working, has favoured a degree of economic development that would not have been possible without them. They have increased productivity by removing labour bottlenecks and have encouraged capital investment by being more prepared to work night shifts. They have kept wage levels from rising too fast and at the same time have enabled European workers to move into higher skilled jobs. They have been less demanding on the social services because of their age structure and have been prepared because of their mobility to move in and out of short-life jobs.

While we cannot say that the struggles of autoworkers *everywhere* in the Sixties operated as the mass working class vanguard, organizing and unifying struggles in other sectors, nevertheless to one degree or another



in different national settings the manpower planning that led to the exploitation of fresh labor power in autos quickly backfired detonating struggles which bypassed capital's development plans and established an international cycle of struggle. Iberian, Arabic, African, and Yugoslavian workers at Billancourt broke the impasse of union/skilled-mechanics control established in the French auto industry after 1968. Mediterranean and Finnish migrant workers imposed the deadlock in Sweden's auto industry that capital sought to escape in its "worker's self-management" project. At Fiat Mirafiori and at Alfa Romeo in Milan the Hot Autumn (1969) found its material basis in the labor migration from the South. West Indian, Pakistani, and Indian workers in British Fords have provided a basis for the renewal of struggle following the defeats (1971) in the English motor industry over grading standards, manning levels, and measured day work.

In North America manpower policies in the auto industry were not as clear cut, but the correlation between productive expansion and exploitation of new labor supplies was equally operative. For the tens of thousands of youth, blacks, and women who throughout the 1960s flocked into the auto industry, getting a job in a car plant meant in many cases entering for the first time a stable wage relation. It was a forced route to put an end to their state of wagelessness and its price was extremely high, first for the workers and later for capital. This political dynamics — i.e. a wage relationship in exchange for intense exploitation — lies at the root of the attitudes of these workers toward work and of the content of their struggles. What capital had characterized as "undemanding and hard-working labor," would soon reveal its quality of insubordination and refusal, increasingly taking the form of a class strategy for more money and less work, for less productivity and more income. The wage ceased to be a relation of exchange and became a lever of power. At first imposed by capital as a necessary condition of accumulation, the wage relation was overturned by workers into a material basis which allowed them to struggle against work and productivity. In the United States the combination of fresh labor power in the auto factories ("niggermation") and the formation of concentrated labor reserves ("the Inner City") found its political expressions in the municipal insurrections on the one hand (Detroit 1967, etc.) and the organization of an autonomous struggle in the plants (DRUM, FRUM, etc. 1967-1969) on the other.

In a very real sense, the struggles of black auto workers in Detroit have much in common with the struggles led by young immigrant workers in Turin or Cologne. Their subversion of the wage relationship has been the overwhelming expression of their refusal to accept auto

capital's despotic control, and has clearly revealed the international dimension of this cycle of class confrontation.

Throughout the late Sixties and the early Seventies the relations of power between capital and workers in both North America and in Europe pivot around this class dynamics — a dynamics which is not broken by the periodic contractual solutions which capital seeks to force upon it. It will be the crisis of 1974 which will provide capital with the means to impose a solution through the strategy of mass layoffs and terrorism.

### **Capital's Characterization of the Crisis**

"We stand on the brink of an historic crisis for American capitalism, and the brink is crumbling." Thus announced the chairman of the board of Merrill, Lynch, Pierce, Fenner, and Smith to President Ford's Financial Summit Conference on Inflation of September 1974. George Bach told the same conference that "although special developments like the recent food and energy crises may temporarily dominate price movements, the fundamental cause of inflation in the U.S. (and most other major industrial countries) is 'excess income claims.'" It is a fact that all capitalist planners recognize. The International Economic Report of the President (February 1974) made it clear that neither the basic material shortages nor the food crisis were primary causes of the crisis: it is one of "excess demand over supply."<sup>2</sup>

In classic terms we might say that the crisis is characterized by an unprecedented decline in the rate of exploitation, and this, like "under-consumption" and "over-production," is obvious in the auto sector as it is always an aspect of the appearance of crisis. Two aspects of the current crisis, however, are worth emphasizing. First, the worsening drop in social productivity is accompanied by the continual rise of income demands. Second, a corollary to the first, the traditional mechanisms of global and national planning are no longer adequate to assure accumulation as they were during the Keynesian recessions of 1957/58, 1960/61, and 1969/70.

The failure of traditional mechanisms (fiscal policy, monetary policy, and incomes policy) was reflected through 1974 by the disruptions of traditional relationships. Unemployment and output failed to maintain their expected ratio as real GNP dropped more sharply than employment. The question that troubled economists was not why employment held up but why it didn't plummet. Neither average weekly hours worked nor the size of the social labor force explained the discrepancy. During the first two quarters of 1974 the unexpected mildness of unemployment was attributed directly to the decline in productivity. At

the same time the six year plateau of average percentage wage increases (6% per annum) jumped to 9.6% in the second quarter of 1974.

"As a consequence of the highly structured and institutionalized nature of the labor market, wages respond with a relatively long lag to their economic determinants," said Michael Wachter in *The Brookings Papers on Economic Activity* 2 (1974). Workers power is revealed in "The nonlinear response of wages to unemployment." The workers' struggle ceased to appear merely as a factor of demand management, guaranteeing development. Raising its head among the councils of economic planners, its voice becomes inexplicable to them. One of Ford's advisors characterized the demand for income as a "divine right." The decline in American social productivity has attributed to what a former head of the Conference Board could only call "intangible forces."

The capitalist solution to this power was clear at least in principle: more work and less money. This was the advice of Gaylord Freeman (First National Bank of Chicago). In the face of inflation and stagnation planning must be designed to "1. stimulate productivity and 2. moderate consumption." Arthur Okun says the same: "you have to push the economy down far enough to create enough idle labor and enough idle capital to hold down prices and wages." Within this necessity the moment is fraught with opportunity and danger. "While few doubt," another economist told us, "that a sufficiently long period of high unemployment will eventually dampen inflation, many fear the social consequences."

A sixth of U.S. jobs, a sixth of GNP, a sixth of every retail dollar is locked in the auto industry. A fifth of American steel, a third of zinc, a tenth of aluminum, two-thirds of rubber is tied to autos. The auto industry and its suppliers have integrated within a single circuit the social division of labor. Organized as a working class in the struggle against capital, it has thrown the "auto sector" into crisis. On the surface the crisis appears as a problem of the market. The demand market is disturbed by changing purchase patterns that dislocate long term growth. The supply market is upset as the balance of forces between Detroit and its suppliers (oil on one hand, parts suppliers on the other) shifts in favor of the latter. Federal environmental safety and pollution standards interrupt pricing and profit expectations. Or, the crisis appears as an historical irrationality of social planning that has produced an infrastructure of bad air, bad cities, and bad country: a Paradise Lost.<sup>3</sup> In fact, it is a crisis of capital and this is but an expression of a strategic leap in workers' struggle.

## Two Responses to Working Class Power

### 1. The Imposition of Productivity by "Global Flows"

The most spectacular route that auto capital has found in its search for the re-establishment of the wage/productivity relation is at the international level. By the late Sixties this had become dazzling in its possibilities. Auto executives spoke of "the Latin American market," "the Pacific market," and with growing confidence of "the socialist market." Here they saw accumulation without the limitations imposed by the power of the American or European working class. Seeking to escape those limitations they sought to manipulate forms of struggle at an international level that could propel development at a national level. It is within this perspective, not that of the organizational novelty of the 'multinational corporation' nor that of its financial supersession of the nation-state, that the problem of "global reach" should be seen.<sup>4</sup> By 1972 the international deployment of capital is characterized by accommodation to the most varied of political settings and by the international integration of production outside of the traditional market.

Perhaps nowhere is this illustrated as well as in Latin America. Though its plants are under military protection and "instability" threatens the future, Ford is able to maintain a 37% rate of profit in Argentina. The Brazilian path to development has been spearheaded by autos. "The automotive industry [having] managed to overcome the political difficulties of the early 1960s," as the Economist Intelligence Unit reported, output has increased since 1966 at an average rate of 20% per annum. In 1971 GM earmarked \$1.1 billion for investment in operations for N.E. Brazil. GM production increased by 24% in 1974 over 1973. VW, the leader of Brazilian auto production, had by 1974 transferred its engine and transmission operations, even for the German market, to Brazil. In September 1974 *Automotive News* reported the rumour that VW intended to transfer its entire German market production to Brazil. *Business Latin America*, the "Weekly Report to Managers of Latin American Operations," reported that the rate of return on investment (ROI) was higher in 1974 in Latin America than in any place in the world.

A low ROI is the form in which the crisis of Soviet growth appears to its planners. Thus last year Brezhnev rapped the knuckles of Soviet industrialists for the "ever lower rate of return on investment." Technological imports and detente is their response to the "factor productivity losses" of the late Sixties and early Seventies. Togliatti exchanged a Fiat

built factory for a Russian built city. The Kama river truck plant, a \$4 billion facility with a \$1 billion city, follows the same pattern: *Russian planned variable capital and Western planned constant capital*. U.S. foundry designs, furnaces, vats, gear-making machines; German forge presses and transmission machinery; French welding and paint lines; Italian conveyor systems; Japanese press lines: thus international capital organizes the under-employed agricultural workers of the Tartar plains. Already, in the inflation of imported components the Russians begin to import the Western crisis: the opportunity for each is that through detente and the crisis accumulation can be re-established.

The organization of fresh labor power (Tartar plainsmen, Brazilian Indians) can no longer be approached merely as the exploitation of the "Third World." The threefold division of the world is long obsolete. On the one hand Agnelli plans in response to the removal of \$60 billion from the industrial circuit of the West to the Mid-East, and on the other hand, the *Economist* speaks of the "Latin Americanization" of Europe and "Banana Republicanitis" in America.

Spain illustrates the extraordinary rapidity with which capital can respond to the struggles within a particular political setting. In the early Seventies Spain was Ford's weapon against Britain: straighten out "industrial relations," Henry Ford told Edward Heath, or we move to Spain. And indeed construction began for a stamping and assembly plant in Valencia for operation in 1976. However, capital soon learned that raw Spanish labor power is one thing in North European factories and quite another in Spain. Mini-strikes, slow-downs, and sit-ins attacked accumulation throughout 1973 and 1974. Arson shut down production in Leyland's plant in Pamplona and at Renault's plant in Valladolid. By the summer of 1974 the *Economist* reported that the "outlook for labour relations is not sunny." At the end of the year *Automotive News* said that Ford and GM were "having second thoughts" about Spain. While in Britain it was rumored that the Shah of Iran wanted to buy Leylands (something the government had to do eventually), Leylands' negotiations to sell its Spanish subsidiaries to GM collapsed. Fiat, established longest in Spain, attempted in '74 to retool its Barcelona plants for higher productivity while simultaneously importing North African labor. This strategy, the basis of the north European boom of the Sixties, now has limited prospects.

A certain naivete of capitalist planning in the Sixties has passed. *Business Europe*, the "Weekly Report to Managers of European Operations," at the end of 1974 featured an article "How to Assess Developing Areas." It advised: 1) "make generous allowances for absenteeism" and 2) "be realistic about local productivity levels."

Capital can no longer count on new labor power in "less developed countries;" it can attempt at the international level to manipulate various national working classes. Within a couple of years it learns that Spain cannot be auto's window to North Africa and the Mid-East.

Of Ford's and Fiat's European operations Turkey suffered the least in 1974. GM announced agreement in Iran in 1973 for the establishment of distribution and assembly plants in Teheran. Production began in 1974. GM production in Saudi Arabia is scheduled to commence in 1976. Assembly plants in Zaire have begun operating. The flexibility of auto's international planning cannot be anticipated from the appearance of particular regimes. In "industrial" South Africa for example there are "deep rooted problems in shortages of white skilled labor." Non-white workers at low wages "are far from being cheap labour when productivity (and mistakes) are taken into account." Increased income and productivity for non-white workers, this is "the cross roads at which the whole South African economy now stands," according to the Economist's Intelligence Unit.

One response in the crisis, then, has been this attempt to re-establish an adequate level of accumulation by the deployment of capital in space. The second is the reorganization of capital in time.

## **2. Job "Revolutions" and the Technological Imposition of Productivity**

"The rising costs due to the levels of absenteeism, labor turnover, wasteful work practices and sabotage," the heritage of the working class offensive of 1964-69 as described by the National Commission on Productivity, has resulted in a growth in output per manhour in manufacturing in the U.S. that is lower (1971-1972) than that in Japan, France, Germany or Britain. The Nixon Commission on Productivity, the Nixon 1971 Labor Day address, the 1972 Kennedy subcommittee on "workers' alienation" make it clear that the "quality-of-work" discussion is the ideological representation of capital's desire to seek a larger room of maneuver for the intensification of labor.<sup>5</sup>

The attempt to re-impose the wage/productivity relation through job design and the intensification of the working day has taken two forms. One of these is represented by Lordstown under GMAD management and another is Sweden's Saab and Volvo modular production units. Each of these forms not only represent solutions to the same international "bottleneck" but attempt via the increased "organic composition" of capital to establish discipline by intensifying work.

Amid some quarters of the "left" each of these two tactics of a single strategy takes on the appearance of the "capitalist problem" and the

“socialist solution.” Alienated labor on the assembly line finds its answer in workers’ control of production.<sup>6</sup> While the technological imposition of productivity only intensified the struggle in North America (as we shall see) its Swedish variation was an unprecedented, expensive, response to an unprecedented problem, and as such it is unlikely to be generalized. Nevertheless, it is important that it be clarified if only to remove any lingering mystifications that it is still able to produce.

Pehr Gyllenhamar, Volvo’s director, summed up the crisis of the Swedish auto industry during the late Sixties as “nothing less than the probability that most people would refuse to work at all.” One third of Volvo’s payroll had to be recruited annually. By 1969 turnover reached 52%. One seventh of the workforce was carried as a reserve against unannounced absenteeism. Manpower policy alone was insufficient to the crisis. 80% of Saab’s workers at its engine plant were women. 60% of the workers in the industry as a whole were Finnish or Yugoslav. Yet “absenteeism with pay,” as Gyllenhamar bitterly remarked, was the working class answer. The companies were forced to a deeper strategic answer.

The de-fractionalization of work whose ideological garb — job enrichment, job rotation, modular production — has provided the dress not only of countless personnel schools but of sections of the “left,” was gradually imposed in salient sites of production. Workers’ power based on the long assembly line (mechanical cooperation) was removed by the installation of shorter lines guaranteeing that the flow of production could be maintained despite breakdowns or interruptions. Group piece work at the Lunbyverken truck assembly plant with some group flexibility in the determination of production standards has been established. Variations in the average speed of groups of workers (“balancing losses”) and variations in the average speed of the individual worker (“system losses”) are reduced by the shorter lines, separated by buffer stock areas, and group payments methods. Workers’ informal organization became the basis of the capitalist re-organization of work to reproduce the value relation within the labor process. The counter planning on the shopfloor of the Sixties becomes capitalist planning of exploitation in the Seventies.

The great expense of this strategy was long a drawback to its implementation. At Volvo’s Kalmar assembly plant, the largest and most daring commitment of capital, plant construction under the modular production design is estimated to cost 10% more than conventional design. 90% of all tasks will be automated.

The second variation of the technological imposition of productivity

is in part the history of working class struggles in North America during the last three or four years.

### **The Power Relation As Refracted in the '73 "Auto Talks"**

Despotism in the market and anarchy in the plant, the inversion of the traditional capitalist relationship, summarizes the industry's problem during the early Seventies and expresses in part an aspect of victories obtained by the class during the Sixties. George Morris, director of GM's Labor Relations Department, attempted to bring despotism back to the factory. Arguing in 1971 against an incomes policy on the grounds that it would eliminate "management's responsibility to manage," he restated the relation between income and work in the context of industrial bargaining. "The more control there is from the outside on wages and economic matters," he wrote, "the more pressure there is from the union on all the other issues."<sup>7</sup>

In 1970 faced with 2500 non-wage demands by the international union and 39,000 demands by locals, a victorious settlement on overtime, productivity, and the maintenance of "efficiency and discipline" presupposed freedom in wage bargaining. The contract of that year contained a provision of the first importance to GM. "We insisted that an organized effort be made to improve employee job attitudes and reduce absenteeism, which in our industry has doubled in the past nine years." An "orientation" program, jointly administered by the union and management, was introduced to encourage attendance and quality workmanship. Here is a first step in the introduction of the Union within the strategy against the workers' refusal to work.

No longer merely the institutional organ of variable capital the company is forced to invite the union to join it in the direct management of the enterprise. This becomes the cornerstone of GM's position in the 1973 negotiations. Its statement to the Union (26 July 1973), even before the summer and fall wildcats, is extremely important:

The mutuality of interest between the employee, the UAW and General Motors is more apparent as we enter these 1973 negotiations than at any time since the beginning of our collective bargaining relationship in 1937.

The rest of the statement spells out that "mutuality" and provides the specific terrain upon which the struggle had been fought in the previous years. It is expressed in a terminology that need not be "spelled out" but only inverted in order to see the class accomplishments in the collective refusal.

First, it complains of "restrictive practices" against changes in equipment and technology, practices organized at the local level.



Between 1963 and 1972 the number of written grievances doubled from 138,000 to 264,000. These must be settled without "disruptions" of the "production process." The workers' use of "other forums" for settling grievances must end and union control established. Committeemen must take an active role with supervisory personnel in grievance settlement at the moment the complaint is made. Second and Third step grievance meetings must be held more regularly.

Second, two issues of union representation must be settled. Union work centers (provided since the 1967 contract) have been used "by unauthorized persons for improper purposes." The liberalization of representation, high wages to committeemen, increases in representation time, and an increase of representatives, all allowed since 1970, have failed to reduce grievances or to expedite their settlement.

Third, disputes about production standards, the collapse of efficiency of operations, and the disintegration of quality threaten to destroy both union control and company power. In "certain plants" disruptions have caused "deterioration of collective bargaining" and "virtual breakdown of the grievance procedure."

Fourth, neither the company nor the union benefit from the turnover rate. Only their cooperation can discipline the "transients who float from job to job." A longer probationary period and a greater differential between the "hiring rate" and the "job rate" can attack this problem.

Fifth, the workers' use of the social wage has become a method of generalizing the refusal to work and an attack on wage-planned discipline. "Increased utilization" of HSMD (Hospital-Surgical-Medical-Drug) benefits is a "serious and growing problem." Costs between 1970 and 1972 have increased by 29%. The duplication between company benefits and state compensation has resulted in the provision of an income without work and an income during retirement that is greater than the income of working years. 52% of contested claims in Michigan involve retirees. 75% of voluntary retirees in Michigan also filed for workmen's compensation. The increase of allegations of accidents and injury, as well as the payment of benefits to "employees who are well enough to work," has spread the workers' enforced separation between income and production to the older, traditional sections of the class.

The invitation to the union to join with the company in the re-establishment of their joint control, "the mutuality of interest," came after the company's unilateral failure to establish 'the despotism of the workshop' or management's responsibility to manage.

The GM Absenteeism/Turnover Task Force (1969-1972) was a failure. Absenteeism cost the company \$50 million in fringe benefits

alone. Turnover, at a conservative estimate, cost the company \$29 million. "Social attitudes," tax exemptions, the increase of accident benefits, the increasing number of women employed, "job hopping," different values, "refusal of hard work," medical restrictions, the straightjacketing of the foreman's flexibility in "manpower assignments," these produced the crisis. The response was twofold and a twofold failure.

In pilot programs the company tries to manipulate workers' collectivity and then to individualize workers. Sensitivity groups and rap sessions, organized as PRIDE ("Personal Responsibility in Defect Elimination"), were successful among Oldsmobile workers only insofar as workers participating in the program could get paid for rapping and "sensitizing" but not working. "The importance of treating the new hire as an individual" resulted in SPEC ("Supervisors Personal Employee contact"). The "Buddy System" was successful in reducing absenteeism and turnover among probationary hires but at the prohibitive cost of assigning one supervisor to every new worker.

"To end managing by fear," this is the *Wall Street Journal's* formulation of the policy of Gene Cafiero, a Chrysler executive. In the fall of 1972 at Dodge Main in Hamtramck he introduced in the trim department "planned absenteeism," a pilot group of 350 workers were allowed to take a day off without penalty if it was cleared in advance with the foreman. At the Eldon Avenue axle plant 2,700 workers were regrouped into three independent units in order to "create the environment" of three small plants. Chrysler's 1969 turnover rate was 47%; its absenteeism 8%. If new environments or planned absenteeism renewed Chrysler's control Cafiero failed to tell the *Wall Street Journal*. It was within the context of these failures that the congruence between the Union's demand "to have a greater say in production" and the Company's "responsibility to manage" was discovered. The '73 wildcats was the workers' answer, an answer that almost put Chrysler under, that more seriously than ever before undermined the union's position, and that resulted in the workers' capture of a principle salient of auto production in Detroit.

## **The '73 Wildcats**

### **1. Background**

The July seizure of the Jefferson Avenue electrical control booth, the August Chrysler forge stoppages, and the August sit-in at the Mack Avenue stamping plant were preceded by an incremental series of

working class assaults against the union and the company well before the contract negotiations began. Thus in April Toledo Jeep was struck over "local issues." 4000 workers wildcatted at GM's Lakewood, Georgia, assembly plant over "production standards" during the late spring. In early June the Ford plant at Mahwah was faced with mounting militance and the first of the "heat" walkouts. Overtime protests mounted at GM's Fremont plant, and at Lordstown wildcatting and mass picketing threatened the Union's precarious position. In March Jefferson Avenue was closed for three days in strikes over disciplinary layoffs.<sup>8</sup>

Of course many of the stoppages that occurred in August and September were anticipated by the Company. A.F. Link of Chrysler's Profit and Investment, Analysis Department, wrote, "industry, through production standard techniques, generally plans for reduced efficiency in certain operations such as foundries during summer months." However, the '73 walkouts were complicated by other elements beyond anticipated production planning: with mounting orders and a record year of sales any interruption of the circuit of productive capital struck immediately at sales and turnover. The one-day Pennsylvania Central strike, the Canadian railworkers strike, and the plastic and petroleum-derived parts shortages were as serious as the stoppages, at least from the point of view of the circuit of productive capital.

However, the political threat to power relations within that circuit extended beyond the loss (in Chrysler's case) of 135,000 cars and trucks. For the first time the class struggle in autos was militarized outside the plants with the Union providing the advance guard of capital.

## **2. The Jefferson Avenue Assault**

On 24 July 1973 Ike Shorter and Larry Carter, two spot welders, locked themselves in the wire cage housing of the main power switch that controlled the welding assembly line. 5000 workers were idled. They demanded amnesty for themselves and the immediate discharge of Tom Woolsey, a racist supervisor. Shorter and Carter could not be forcibly removed as workers from the department mobilized in a surrounding cordon.

Some months earlier Woolsey was assigned to the spot welding section to tighten discipline and speed up production. The feeder line in the section was running at an average of 100 jobs per day behind the scheduled rate. Woolsey was well-known as a militant cadre in the productivity drive that started in 1972. At that time plant-wide line speed increased from 56.5 jobs per hour to 65.5 while manpower

increased from 5400 to 5900. In the arithmetic of productivity this meant a speed-up of 7% (production up 16%, manpower up 9%) which was translated into a loss of four seconds per worker per job. Everyone was put in the hole.

Individual rebels against this got the I-T-D treatment: interview, threat, and discipline. Post-Christmas disciplinary firings were answered by walkout in the motor line department. The Local and the International ended the four day strike with Woolsey's help as finger-man. Weeks later the second shift in the metal shop sat down and refused to work. Woolsey was sent to the metal shop. In the summer, when he was sent to the welding line, Carter and Shorter replied.

Within hours Chrysler capitulated to the demands. Carter and Shorter were re-instated. Woolsey was fired.

The industry and the union were shocked. Ford reprimanded its sister company: "We believe very strongly there is no virtue in rewarding a resort to self-help." Fraser told Chrysler: "if you surrender to this type of blackmail there is no end to it." Within days the Union announced (what had been suspected for months) that it had chosen Chrysler for its '73 target company. In the months ahead the union will scramble madly to regain control over the auto workers, for what was unprecedented by the Shorter/Carter incident was the Company's decision to deal without Union mediation of the struggle: management's responsibility to manage supersedes the union's management of the struggle.

### **3. The Lynch Road Forge Plant Walkout**

On 7 August 1973 the midnight shift refused to work starting a six day walkout. Record profits and record production in 1973 meant continuous operation at three shifts a day, seven days a week for six months at the Forge Plant. Accidents increased. Repair and maintenance work was kept to a minimum. Wiring remained uninsulated. Oil slicks developed into puddles throughout the plant floor. Overhead cranes broke down spilling steel loads onto walkways. The local union contained the grievance problem by refusing to write them up.

At Lynch Road 1500 workers were out threatening the layoff of 40,000 other Chrysler workers. In the second week of August only the combined efforts of a Federal Court Injunction, the mobilization of the Local union, and the direct intervention of Doug Fraser brought the forge workers back to work.

#### **4. The Mack Avenue Sit-In.**

On 14 August Bill Gilbreth sat down on the line of the welding department at the Mack Avenue stamping plant. The entire department was mobilized by the action against the plant guards and then against the police. Chrysler decided to shut down the entire plant, even though 90% of the plant could have remained open (heterogeneous cooperation). The shut down was a political response designed to isolate the department and to prevent the circulation of the struggle.

At the Mack Avenue, as at Lynch Road and Jefferson Avenue, the struggle must be placed within the history of struggles since the 1972 productivity offensive. Since that time plant conditions deteriorated in direct relation to productivity drives. The press room was forced on a seven day schedule. Others were on a six day week with long hours. The presses leaked oil. The roof leaked. Hi-lows drove with faulty brakes. Scrap accumulated in the aisles. The high-pressure air-lines screeched through the plant as leaks were left unrepaired. In late '72 when a die setter was killed by a bolster plate blowing loose cutting off his head, the flash point was provided that set up an unofficial safety committee. On 7 June 1973 a walkout of the second shift in the press room protested the conditions that removed two fingers from a woman working a bad press. On 10 August, four days before the sit-in, workers organized pickets around the Local Union Hall.

The occupation of the framing department, the result of Chrysler's decision to close the plant, was easily cleared by a neat and efficient police operation. But the Union, its credibility already seriously weakened, needed a show of strength and above all to re-establish its position over the struggle.

#### **5. The Union's Terrorization of the Struggle.**

To prevent mass picketing, the intensification of the struggle, and its extension through the industry, Fraser and Mazey personally lead a thousand "loyal unionists" (characterized by militants and the press as "goons," "gestapo," and "Klanners") in squads of flying pickets throughout Detroit. Pickets and militants were terrorized at plant gates throughout the twenty-two Chrysler Detroit plants. Here is the militance of the Thirties brought to life in the Seventies. Strategy and tactics are identical, only the object of struggle has changed.

Despite this historical show of force the movement rapidly spread. One quarter of GM plants were closed in August and September. Three of fifteen Ford assembly plants closed in August. Walkouts shut down

three American Motors plants. Warren truck, Dodge Main, and Windsor car, truck, and engine all closed. To be sure it coincided with changeover, but during this boom year the struggle was no longer contained within "production standard technique planning."

Militants during the summer sought and found a practice that transcended the limitations of the 'union opposition caucus.' As Shorter said, "sometimes we'll use the union, sometimes we won't." But even the traditional Union opposition, or at least its social base within the skilled trades, found new strength in the general summer mobilization. The "skilled trades problem" brought to the surface the second overt form of militarized struggle. When Local 160 (the technical center local) and the skilled trades of the River Rouge complex failed to ratify the '73 contract the Union had no choice but to renege on the 1967 agreement giving them veto rights and to bring out pistols to enforce a new vote. They were excluded from the early retirement benefits negotiated in the contract. Their position was further eroded by the 'secret letters of understanding' between the union and the companies that permitted sub-contracting and unlimited 'up-grading,' in cases where skilled tradesmen refused overtime. Indeed the much touted limitations on overtime were in fact attacks upon workers' collectivity, "voluntary overtime" being permitted only "separately and individually, without collusion, conspiracy or agreement with, or the influence of, any other employee or the Union."

The skilled trades massively rejected the contract. This was the first time in the history of the UAW that this had happened, a contract rejected at ratification. The Union of course sought to impose its will in a re-vote. When an official of Local 600 drew a pistol against a Dearborn millwright, Canadian TV recorded for the world this new union violence against the working class.

Violence itself was not new. With 65 deaths a day in the American auto plants, violence during the Sixties was mainly a question of the violence of technology. But the growing armament of both the working class and the union *within* the plant is new. Pistols were brandished at the meeting between the International and the local leadership at River Rouge. The president of a Michigan Casting Center Local shot a militant during a re-vote. The International established control over the St. Louis local after a show of arms. Walter Reuther's picture was torn from the wall at a local Michigan union hall. The locks were smashed at Solidarity House in an attempt to gain entrance. The submerged guerrilla warfare present in the plants broke out in the open during the summer of '73. A tool and die maker told the *New York Times*: "Before they tied us up with rope. Now they tie us up with chains. It's a

dictatorship. Forty years ago you could lead people around by the nose. You can't do it anymore." He was referring to the Union.

Ever since the secession threats by the Skilled Tradesmen during the 1955 settlement, the Union had continually attempted to appease their demands. Union thinking was especially concerned with this because it had become clear that the basis of Union growth in the future would have to depend on its ability to organize not just the traditional skilled metal workers but the growing ranks of engineers, technicians, and office workers. Indeed, the union in '73/'74 won several small machine and plant design workers in enterprises. The President of one of these, Solar Engineering, an independent Michigan company of auto product and machine design, welcomed the unionization of designers and draftmen. The higher costs would result in increased competitiveness and the improvement of design quality. The presence of the Union, he told *Automotive News*, will improve "flow" among shop services and stabilize the high turnover of manpower.

The outburst of autonomous struggle, the collapse of union authority in mediation, its attempt to regain control by terror, and the transformation of traditional opposition centers these were the events that immediately preceded the "crisis" of 1974, its speed-ups and lay-offs at the plant, its inflation and uncertainty at the social level.

## **The Crisis and the Momentum Struggle in '74**

### **1. A Chronology of Strikes**

The failure of both inflation and unemployment to reduce work stoppages during the first ten months of 1974 is made clear by comparing them to similar figures over 1973. The number of stoppages increased by 8%. The number of workers involved increased by 48%. The number of man days idle increased by 88%. Indeed the number of workers involved in stoppages in 1974 had in its first ten months already begun to approach the annual number for the years, 1967-1971, the highest cycle of stoppages, excepting 1946, in postwar history.

An external chronology of strikes during 1974, though necessarily incomplete, is an adequate representation of the fact that the economists' "lags" and "nonlinear responses" are only capital's tags indicating that workers' power has burst through the stop-go syndrome and Keynesian management. A partial list follows:

**March**      New Haven, Michigan      wildcat at foundry against local contract, racism, and speed-up

<b>25 March</b>	Warner Gear	strike slowing national truck production, closing Toledo Jeep and damaging International Harvester
<b>5 April</b>	St. Louis	"sick out" at GMAD Corvette against speed-up
<b>April</b>	Cleveland	Black and Puerto Rican workers respond to lay-offs by laying off machines at turret lathe plant
<b>April</b>	Kansas City	GM Leeds plant, Chevrolet, local strike over local grievances
<b>13 May</b>	Detroit	Fisher Body Fleetwood struck closing Cadillac and Oldsmobile as production schedules increase
<b>May</b>	Kansas City	ditto
<b>June</b>	Chicago	Stamping plant struck over 1000 grievances about speed-up, lay-offs, discipline, and safety
<b>June</b>	Kalamazoo	Checker Motors struck
<b>11 June</b>	Warren, Michigan	wildcat at Dodge truck
<b>28 June</b>	St. Louis	GM Corvette struck
<b>12 July</b>	Lordstown	6 week strike begins over 11,000 grievances
<b>August</b>	Budd Kitchenor	1,600 wildcat for 3 days at body and wheel component plant
<b>August</b>	Cleveland	Junking, shipping and sabotage greet speed-up at stamping plant
<b>1 August</b>	Wanwatosa, Wisc.	Briggs & Stratton, auto machine tool plant, struck over local contract.
<b>6 Sept.</b>	St. Louis	end of 9 week GMAD strike
<b>16 Sept.</b>	Kenosha, Wisc.	17,000 American Motors workers strike through month
<b>Sept.</b>	Milwaukee	A.O. Smith, auto and truck frames, struck, closing Jefferson Ave.
<b>23 Sept.</b>	Franklin, Ind.	Arvin Industries struck, makers of tailpipes, mufflers, catalytic converters interrupts production at 3 Chrysler assembly plants and 3 Ford plants.
<b>26 Sept.</b>	Anderson, Ind.	4 day strike at GM Delco, pro-



		ducers of starters, ignitions, and generators
<b>28 Sept.</b>	Gary, Ind.	slowdown and sitdown at Ford Galaxy
<b>29 Sept.</b>	Oakland, Freemont	woman workers sue GM for discriminatory lay-offs.
<b>30 Sept.</b>	Oakland	wildcats protesting overtime
<b>4 Oct.</b>	Long Island City	wildcat against Standard Motors
<b>Oct.</b>	Framingham, Mass.	GM Buick and Oldsmobile assembly struck

Clearly, the empiricism of the struggle based on the Union's *Solidarity* or the industry's *Automotive News* barely scratches the surface of the breadth of struggles through the North American plants.<sup>9</sup> Reports of militants in Windsor, Oakville, Cleveland, St. Louis, make it clear that much of workers' subversion of productivity occurred on a departmental basis whose appearance in broken production quotas at the plant level the industries conceal from public accounting. Globally, the struggle appears simply as "crisis," and as such is interpreted as a problem of markets or "demand." A brief discussion of some individual strikes makes it clear that the workers' infiltration against productivity belongs to a struggle to which the crisis is an answer. It continues to remain unresponsive to both Union management and government planning.

### Some Particular Strikes

At Dodge Truck in Warren, Michigan, 6000 wildcatted for four days, 10-14 June 1974. Demands were not formulated until the third day of the strike. They asked for "everything." One worker said, "I just don't want to *work*." The separation between income and productivity, enforced by the struggle, could not have been clearer.

The wildcat was preceded by a sick-out on the 31 May when the second shift metal shop phoned in sick. This, and the strike, must be set against the background of the productivity drive begun in 1972 and the changed character of the workforce at Warren. Its second shift became younger, more 19-22 year olds, more Viet Vets with a history of fragging their officers behind them, more women and more blacks. During the '73 negotiations this working class rejected the contract, but Local 140 threatened to call a Christmas strike and that put the lid on the contract centered strike. Against the passivity of the Local, the workers replied with absenteeism, sabotage, running junk and violence against the foremen. Local 140 had undergone a change in leadership the previous year; the white bureaucrat, Mahaliek, was replaced by "black, fast-talking Willie Stoval." Yet it is Willie Stoval who in June 1974 lines up with the police to finger the "leaders" of the wildcat strike. Willie Stoval

calls the police to organize the ejection of the workers from their Union Hall.

On 17 October 1974 at GM Corvette in St. Louis the workers on final trim sat down and refused to work because their pay check did not include "show-up" time for the previous Wednesday when the Company called them to work and then dismissed them. In twenty minutes the management capitulated and the checks were adjusted to meet the workers' demand. Nate Mosely a militant at the plant was fired. The workers responded with what the company termed "bad morale" or the shipping of work, and running junk, which lost the company \$1.2 million over the year. The plant's reject area overflowed and Mosley's firing was changed to a temporary disciplinary lay-off.

The extraordinary swiftness of both these victories has to be seen against the accumulated failures of the Union-led struggle at the plant.

As a result of the 1970 contract GM consolidated its Chevy assembly and Fisher Body divisions creating the General Motors Assembly Division (GMAD). The separate divisions allowed far more relative independence to local strikes and organization. It was these local strikes that had been the single greatest obstacle to productivity in GM. Throughout GMAD the results of the new organization quickly materialized. At Norwood, Lordstown, and St. Louis grievances accumulate, the local leadership is put in crisis, and speed-ups and lay-offs occur with little resistance. At St. Louis the same production is maintained after laying off 1000 of the 9200 workforce. The crisis at the locals takes the form either of direct intervention by the International threatening to place the local under trusteeship or in long strikes (as at Lordstown or Norwood) without international backing.

In 1972 when the Union announced its "Apache strategy" it called for a decentralized struggle, staggering the attack on GMAD with mini-strikes, at a time when militants in the locals called for a unified massive strike against the division. Where GM wins centralization, on its side the Union calls for decentralized struggle.

12,300 grievances piled up at St. Louis by 1972. By the end of 1973, 1500 fewer workers than in 1971 produced the same number of cars. GMAD's productivity drive was accompanied by a political personnel policy that sought to divide the night and day shifts by race, by the selective favoring of overtime, short-time, and speed-ups. In April 1974 GMAD attempted a line speed of 25% greater than the day before. A couple of days later the second shift called in sick. In June with 18,000 unresolved grievances the local membership called for a strike. The International crushed the strike, though it went on for weeks. A long strike as those at Norwood and Lordstown a couple of years before would, the Union expected, discipline the local. When the Zone

Committeemen, Willie Morganfield, and Irving Bluestone are sent to St. Louis at the end of August they settle the strike without getting anything. Morganfield draws a pistol against Nate Mosely the local leader. The International leaders don't dare use the union hall but instead settle the strike at a downtown motel. The independence of the local, however, was not crushed: the October 17 sit-down dispelled any illusion that the International had regained its authority over the class.

Neither the Warren strike nor the St. Louis strike were atypical: similar accounts might be found in the 1974 history of struggle at Windsor Chrysler, Ford Oakville, Chevy Gear & Axle, and doubtless throughout the industry. The "auto crisis" of overtime/lay-off is international.

### **Income/Layoff Policy Within the International Perspective**

A key aspect of the auto crisis is the political initiative that capital has taken to modify the wage relationship through the policy of massive layoffs.

In North America, thanks to the existence of the SUB mechanism, the current waves of layoffs have not involved thus far any major change in the automakers' wage policies. What is significant in fact is the extent to which the SUB mechanism which was originally designed to cope with minor restructurations related to model changes has so far lent itself to a major process of restructuration in the crisis. In countries where similar mechanisms were lacking, automakers have resorted to policies involving substantial changes in the wage relation. In France, Italy, and Germany the outline of this strategy has become clear: ensure a certain degree of stability of income for the workers as a cover to restructuring policies aimed at obtaining the highest mobility of labor.

What characterizes these layoff policies is their short term aspect. In Italy, Fiat and Alfa Romeo have reached lay-off agreements with the trade unions covering most of the 1975 period. In Germany, VW guarantees the equivalent of one year's pay to workers who agree to be laid off indefinitely. In France the October 1974 agreement between the Industrialist's Association, the Trade Unions, and the Government entitles workers who are laid off on account of industrial reconversion to get up to one year of pay.

What further characterizes these layoffs is the combination of wage and manpower policies that they embody. Thus:

#### **Manpower side:**

—reduction of employment levels

- \* Fiat, by stopping new hirings, has reduced throughout 1974, its workforce by 20,000

- \* In Germany where the annual rate of turnover in the auto sector is quite high due to the transient character of many auto workers, the separation allowance policy will allow the auto companies to control this process by programming the mass resignation of a substantial section of their work-force.
- \* At Fiat, the recent agreement on layoff pay entitles the company to transfer workers not just from one plant to another, but also from one sector to another, from one geographical area to another. Given the material hardship that transferred workers encounter, this policy amounts in effect to a 'forced resignation.'
- \* Recent estimates show that in 1974 European car manufacturers reduced their work-force by 9%, and predict that the reduction for 1975 will be around 13%.

#### **Wage Side:**

—The resort to a 'temporary guaranteed income' has the effect of softening the impact of capital's attack on the terrain of wages.

—The policy involves a deeper integration of the State and capital

- \* In France, although the funds for the layoff pay come almost totally from the companies, the intervention of the state has made the policy possible by paying a contribution of 1.71 billion francs—an amount that will cover the first year of operation.
- \* This integration is more clearly visible in Italy where not only layoff pay funds come from the state (2/3's of it), but also the union have a direct role in the management of this policy (they codetermine how many days of layoff the company must resort to, on the basis of inventory levels, and are responsible for providing the "extraordinary labor force" which the company deems necessary to work during layoff days.)

Layoff/pay policies are therefore the tools capital is using to discipline autoworkers' struggles. It allows capital to maintain the wage relationship within politically tolerable limits, and at the same time push through a major process of restructuration, whose short-term goals are:

- a) reduction of the domestic production base
- b) the forcing of a major increase in the mobility of labor—inside the plants, within the industry, and in the labor market generally.
- c) increase of labor productivity, through the terror of "losing the job".
- d) undermine the practice of "paid absenteeism."

In North America the indications are already apparent that these goals are being effected only with difficulty. The SUB cushion is in tatters. In Michigan the State Police guard unemployment offices. The union-organized marches for "More Jobs" is met by workers' cynicism (UAW) or disruptions (AFL-CIO). What can we say in conclusion?

## End of the Line

The continuing momentum of workers' struggles through '73/'74 have shown the weakness of the speed-up and layoff policy in re-establishing accumulation at an acceptable level.

In North America, perhaps the most significant development of this period is the weakening position of the Union in its mediation of the struggle. There are external 'political' signs of this in the growth of opposition caucuses within the International, the emergence of "rank-and-file" organizations on the plant level, and the proliferation of the "Left" within the plants (calling, as often as not, for the rationalization of the crisis—save jobs, spread the GNP, form "unemployment committees"). More symptomatic is the reaction of the industry which is now willing to circumvent the Union's mediation of the struggle since it has become obvious that the Union can no longer rely on even its 'historical' authority. Most serious is the arming of the struggle, within the plants and by the Union.

In North American plants wage and manpower planning attempts to re-establish the income/productivity relation. Militants—blacks, women, hippies—are laid off or removed from the line, and probies, some fifteen years old, are sent on the line. With no rights to call committeemen, working at 85¢ an hour less pay, ready for job rotation—this is a last effort to regain control of workers' power in production. It is doubtful whether the manipulation of the sociology of the work force can overcome the crisis: it backfired in 1970/71. In June 1975 *The Detroit Free Press* reported that "both the company and UAW officials are surprised by the paradox of relatively high absenteeism at a time when most workers, nervous about the future seemingly would be working every hour they could."

*The Economist* is fond of asking "When will Detroit start closing Britain Down?" and *Business Week* asks "Has Detroit Learned Its Lesson?" The question is no longer the Blue Collar Blues or experimentation in the technical organization of work. Doubt and uncertainty characterize all aspects of capital's relation to the working class as it struggles to regain its command. Everything from the wage (amount of reserves in the SUB fund, the size of the Automatic Short Week payments, medical benefits, Food Stamps) to lay-offs (temporary, permanent? & what department? what division?) even the site of struggle in the auto industry itself is in doubt. This may be the panic that the enemy seeks to provoke prior to combat or it may be an actual reflection of the disarray in the strategic headquarters of capitalist planning. Despite the atmosphere of uncertainty, some elements are clear.

Capital must integrate its institutional components—the firm, the union, and the state—in order to determine both the terms of struggle and the site of struggle. The income/layoff policy is designed to re-establish the job as the terrain of contention hoping that the demand for work can be separated from the demand for money. After one year it appears clear that this strategy cannot be accomplished by traditional means. This is why the problem of social command must be presented as the problem of “law and order” and “crime in the streets,” and not only as a problem of jobs and unemployment.

Preparing for the next war on the basis of the lessons from its previous defeat, capital poses the question of the removal of a site of struggle. When will Jefferson Avenue close down? In January, in June, or next year? When will Chrysler go under? When Detroit? Union planning of the struggle seeks to rationalize transportation, that is, it plans for mass transit and small clean cars.<sup>10</sup> The latter, on the vanguard of the productivity attack in the last four years, precisely means the intensification of work throughout the North American industry. “Mass transit,” whether or not it is developed by existing corporations, will mean the reorganization not only of exploitation in the plant but the removal of the city as a terrain of struggle: there can be no repetition of the insurrections of the Sixties. “Mass transit” of course still sits in the attache case of the urban planners, and other tools must be brought to play. In Hamtramck urban renewal means the relocation of the black working class vanguard. To effect this more than three-quarters of Federal funds “shared” with the city last year are remitted to the police corps.

While it would be foolish to attempt to describe a timetable for the removal of the working class from the powerful salient it conquered in the Sixties, the assembly line of big autos and its neighboring Inner City, it is clear that not only is something like this envisaged in long-range terms but that the first steps have already been taken to put it into effect. Flexibility of plant location, freedom of plant restructuring, massive labor relocations, the erosion of the city as workers’ terrain, a “union say” in “management’s responsibility to manage,” here already is capital’s attempt to both maintain its power and recapture its hold on a working class that has extended its room of maneuver within and against it.

Industry’s plans must be seen internationally. Of course horizontal and vertical integration are intensified throughout the world and concentration and centralization of firms accelerate within national frameworks. State planning of social capital, “socialism in the auto industry,” is afoot throughout Europe, clear for a number of years in France and Germany, now also in Italy, in Britain where the Labour

government must underwrite Leylands, and even in Sweden whose government controls an increasing number of Saab and Volvo shares. Each process doubtless is considered by the American industry for home. In board rooms throughout the world attention is on Chrysler, and not because it is once again sending panic through auto's financiers or that it may be ripe for plucking. As the weakest, Chrysler loses least in the experimentation that is necessary for the industry as a whole if it is to recapture its position. At Chrysler foreign and domestic operations are united under the authority of a single vice president, that for "planning and development." The international division of component manufacture for American assembly, an international factory, has been forced on Chrysler. The *New York Times* writes, "When future products are considered, therefore, the resources and products of Chrysler's worldwide operations will be analyzed to come up with the most economic package." Ford Europe has practiced a policy of double sourcing for several years now, allowing it to circumvent bottlenecks created by faulty "industrial relations" at one component source by having recourse to another. In the Pacific Ford wishes to generalize this strategy in its policy of "regional complementation."

Chrysler's flexibility in the manipulation of international struggles is greatest exactly because it has least to lose. Its recent initiative (June 1975) in Britain is a case in point. It was not the Ryder Report on British Leylands with its coy glance over one shoulder at the workers' control people and its face of determination over the other at "inefficient management practices" that pioneered the Labour government's hesitant steps to "industrial democracy" and the integration of the shop stewards' into management planning: it was Chrysler, "the American multinational giant," that offered profit sharing, joint steward-management control, industrial democracy, and the rest.

To conclude with Chrysler's offer in Britain is justified only because it illustrates again how the capitalist project can be ten times more daring than the 'utopian' planning of the Left. In Britain however the Chrysler workers told management to stick their offer and demanded more money instead. Money, no longer the "defensive economic" demand of social democratic ancient history, is power. It was the demand that catapulted the international cycle of struggle ten years or so ago. Chrysler's offer of profit-and-management sharing is a desperate attempt to maintain the illusory separation between power or politics and cash or economics. The disappearance of this separation allows the question of revolutionary organization to be posed once again.

1. We have found the following books useful. William Serrin, *THE COMPANY AND THE UNION* (1973), Emma Rothschild, *PARADISE LOST: THE DECLINE OF THE AUTO-INDUSTRIAL AGE* (1974), Dan Georgakas and Marvin Surkin, *DETROIT: I DO MIND DYING* (1975), Huw Beynon, *WORKING FOR FORD* (1973), and John Mathews, *FORD STRIKE: THE WORKERS' STORY* (1972).
2. In addition to the works cited in the text, this section relies on material supplied in *BUSINESS WEEK* (5 October 1974); *NATIONAL COMMISSION ON PRODUCTIVITY*, 2nd ANNUAL REPORT (1973); *THE MICHIGAN STATE ECONOMIC RECORD* (November-December 1974); Edward Gramlich, "The Distributional Effects of Higher Unemployment," *AMERICAN ECONOMIC REVIEW* (September 1973); and Arthur Okun, "Unemployment and Output in 1974," *BROOKINGS PAPERS ON ECONOMIC ACTIVITY* (1974).
3. This for example is the point of view of Emma Rothschild in *PARADISE LOST: THE DECLINE OF THE AUTO-INDUSTRIAL AGE* (1974).
4. We refer to Richard Barnet and Ronald Muller, *GLOBAL REACH: THE POWER OF THE MULTINATIONAL CORPORATIONS* (1975). This section relies on information contained in the annual reports of General Motors, Ford, and Chrysler. Here as elsewhere the industry's *AUTOMOTIVE AGE* is more informative than the Union's solidarity. *FORTUNE* (November 1974) contains important articles on capitalist accumulation in the Soviet Union. *MOTOR BUSINESS*, a publication of the Economist Intelligence Unit, maintains an international perspective.
5. Harry Baker, "Job Enrichment and Job Satisfaction," *PERSONNEL PRACTISE BULLETIN* (June 1974); N.V. Philips's Psychological Department, "The Influence of Assembly Line Organization on Output, Quality and Morale," *OCCUPATIONAL PSYCHOLOGY* (1964); and "Job Redesign on the Assembly Line: Farewell to Blue-Collar Blues?" *ORGANIZATIONAL DYNAMICS* (fall 1973) have been useful from the point of view of describing capitalist planning.
6. S. Aronowitz, *FALSE PROMISES: THE SHAPING OF AMERICAN WORKING CLASS CONSCIOUSNESS* (1973) is the clearest elaboration of this viewpoint. "Young auto workers have neither challenged the object of their labor (the production of cars), nor have they transcended the inevitability of submitting to the old methods of production" (p. 409). In fact, the latter has become a minor part of the *capitalist* project during the crisis precisely because of the previous *success* of the auto workers' assault on productivity.
7. George Morris, "Controls or Collective Bargaining—Restraints and Realities," The Conference Board 1971. See also General Motors Statement to the UAW, 26 July 1973; the "GM Personnel Development Bulletin," 3 February 1972; and GM Oldsmobile Division, "Absenteeism and Turnover: Control Program Report" (November 1971).
8. In addition to the *NEW YORK TIMES*, *THE WALL STREET JOURNAL*, and the *DETROIT FREE PRESS* which relative to their usual practise gave the wildcats a broad coverage, the newspapers of militants were fundamental for news of that summer: *CHALLENGE*, *THE CALL*, and *WORKERS' VANGUARD*. Jack Weinberg, *DETROIT AUTO UPRISING 1973* is also important.
9. In addition, *THE NEWSLETTER* (Toronto, April 1974), *NETWORK: VOICE OF UAW MILITANTS*, number 1 & 2 (1975), and the pamphlet, *WILDCAT: DODGE TRUCK JUNE 1974* are not only informative but part of the on-going struggle.
10. Aronowitz (p. 428) finds the failure of auto workers to engage in this type of social planning evidence of the "defensive", "non-revolutionary" character of their struggle.



## **“The Sons Of Bitches Just Won’t Work: Postal Workers against The State**

**Peter Taylor**

1965 marks the turning point in the history of workers’ struggles in the Canadian postal system. From that point onwards, workers’ insubordination has mounted steadily, and now constitutes a major challenge to capital’s authority. With business and the State relying heavily on the mail system for the circulation of capital, this militancy has placed postal workers in a leading position in the quickening work-place struggle going on throughout the country. In reaction, the Canadian State is spending more than \$900 million on the introduction of automatic sorting machines. More than simply regaining ground lost to postal workers in terms of wages and productivity, the State is calling on science to “develop” the technical organization of the work process in order to decompose an increasingly unified workforce.

Taken by itself, however, the automation program will not allow the State to re-impose control. Not only have postal workers repeatedly challenged, and beaten, the State over the last ten years — particularly by engaging in illegal strikes — but they have also appropriated those forms of struggle developed primarily by assembly-line and other mass workers. Absenteeism, turnover, sabotage, and wildcats, have all been used by postal workers to establish their autonomy from capital. Acting on their needs for more money and less work — for more power against capital — they have thrown the postal system into crisis. The depth of this crisis can be seen in the desperation of the Postmaster General. Claiming recently that the “sons of bitches just won’t work” he has threatened to “close the Montreal Post Office for several months to get rid of militants and slackers”. And with other Post Office spokesmen predicting delays in mail delivery for at least another year, struggles by postal workers will continue to deepen the crisis at the Post Office and be a significant reference point for the rest of the Canadian working class.

### **The Centrality of Skill in the Traditional Post Office.**

In all postal systems, the central operation is that of sorting mail.

Consisting essentially of redirecting individual pieces of mail according to the handwritten or typed address, this task requires a unique skill, and, as a result, has formed the core of the organization of work at the Post Office. Traditionally—until the late Sixties for Canada—the postal system utilized the male, skilled, manual sorter, or postal clerk, to perform this function. In turn, the skilled clerks used the possession of this skill to establish themselves as the most powerful group of postal workers. First, this skill, which was based on the ability to recall correctly and quickly the location of some 10,000 points of distribution, gave them direct control over the speed of work, unlike, say, workers on an assembly-line whose workspeed is dictated by a machine. Furthermore, since this ability was acquired only by working three or four months at a Post Office run “school”, management could not readily use scabs during any strike or slowdown.

Historically, the power of the skilled sorters has been demonstrated most clearly by their position at the top of a hierarchy of wages. Due to the centrality of their skill, the level of their wages functioned, until very recently, as the reference point for all other classifications of postal workers. For example, when truck drivers who had previously moved mail between postal stations for private contractors, were made Post Office employees, their job was classified as “unskilled”. As a result, their wages, which had been on par with other truckers, were reduced drastically to bring them in line with those of other “unskilled” postal workers. (This was the background to the struggle of the Lapalme drivers in Montreal, and the wildcats by drivers in Toronto during the fall of 1972.)

The power of the postal clerks was also reflected in their central role in the trade union organization of postal workers. The first union at the Post Office was a skilled sorter’s union. Formed in 1911, this union was affiliated with the Trades and Labour Congress — a federation of predominantly skilled workers’ unions. Since then, although the unskilled “inside” workers joined the clerks in 1928, the union has consistently represented the special interests of skilled sorters, both by the emphasis placed on the defense of the classification system, and by the election of clerks to positions of regional and national leadership. The semi-skilled “outside” workers reacted against this domination by refusing to join the skilled sorters’ union, and instead formed and have maintained their own union organization. In short, the possession of this skill by certain postal workers allowed them to establish a definite form of control over their immediate work situation, both in terms of the organization of work and the organization of wages.

At the same time, however, this power of the skilled clerks was

operating in the interest of capital's rule. Precisely because their source of power was the special skill needed by the postal system, postal clerks were directly tied to their work. Thus, rather than challenging the role within the mail system which capital had assigned to them, the skilled sorters maintained their power—in terms of both wages and union organization—by accepting the responsibility for its operation. As was the case for other skilled workers, this responsibility for production resulted in postal clerks having a “producer's consciousness”, i.e., an understanding that their power depended on their ability to perform their work. This identification of the clerks with their work was reinforced by the individual nature of their jobs. For example, contests were frequently held for the purpose of determining who was the “best sorter”. The possession of this skill by the clerks also furthered capital's control by separating them from the “unskilled” workers, thus preventing a unified workforce. As a result, postal workers not only refrained from engaging in large strikes, but, more importantly, in their daily job performance they exhibited a marked commitment to “getting the mail out.”

Their lack of militancy was also sustained by other factors which, until the Sixties allowed the Post Office to operate with little concern for its efficiency. First among these factors was their security of income. With the volume of mail constantly rising, postal workers, like other government service employees, had been guaranteed steady employment — as long as they performed their jobs satisfactorily. Job security also represented an alternative to the high wages won by workers in the manufacturing and resource sectors, whose high income was often reduced by the fluctuations of the business cycle.

Reinforcing job security as a conservative force was the “white-collar” status of letter sorting. Deriving from the relative cleanliness of the job and the “financial” rather than “industrial” nature of mail itself, postal work was considered an “office job”. Shirt-and-tie was the rule for all employees, and even today it is still possible to find long-time employees appearing for work dressed like supervisors. Closely tied in with this, were two factors which helped to foster the notion of “public service”. First, that personal letters and cards formed a much higher percentage of mail volumes; second, there was a more direct personal relation between the letter carrier and the tenant or homeowner.

Finally, there existed a set of federal laws designed to maintain the subordination of postal workers. All forms of industrial action — work stoppages, slowdowns — were expressly prohibited. Furthermore, management thoroughly dominated those limited avenues for collective bargaining which did exist. Directly stemming from postal workers' lack of power with respect to the State, these laws formally institutionalized

this relation of forces.

Taken together, the skilled nature of the work, the security of income, and the harsh legal sanctions, resulted in a dedicated and disciplined workforce. Postal workers, who saw their role as that of “serving the public”, took as their own the slogan “the mail must go through”. For capital, of course, this “responsible behaviour”, which meant the moderation of demands on the part of postal workers, was crucial because it kept costs, in the form of wages, relatively low. Low costs and high quality work enabled the Post Office to operate very efficiently on a day-to-day basis. With this high level of productivity the government managed to balance the Post Office budget every year until 1965. Precisely because the manual sorting system was operating smoothly, the State was able to avoid costly expenditures for mechanization and plant renovations. In contrast to other workers — notably manufacturing and mining workers, as well as office workers — who were subject to the introduction of whole systems of increasingly demanding automated machines, the postal worker found the technology of his job remaining unchanged.

### **1965: The Opening Round in the Current Cycle of Struggle**

Following the recessions of 1958 and 1960-61, capital in Canada entered a period of rapid expansion. With working class resistance effectively reduced by these recessions — real per capita income fell between 1957 and 1959; unemployment reached 7.7% in 1961 — capital expanded by exploiting this weakness. Thus, between 1961 and 1965 output per worker was forced up over 14%. Over the same period, strike activity fell below .09% of total working time — the lowest level in over 25 years. As a result, wage settlements in Canada lagged behind those in other countries, and in 1964 profits accounted for 15.3% of the GNP — an eight year high. The next year saw unemployment drop below 4% for the first time in more than a decade, despite a rapid growth in the labour force, and new records were also set in gross national product, and in investment and export levels<sup>1</sup>.

For the postal system this growth in economic activity created a sizeable increase in the volume of mail. Reflecting the increasing use of business of the mail system, the number of pieces of mail processed rose by over 12% from 1962 to 1965. Faced with this growing pile of mail — over nine million pieces a day by 1965 — the government needed to bolster productivity in order to contain labour costs. To this end it created lower paying, unskilled, part-time jobs and hired women, who because they came from unpaid, full-time jobs as housewives, lacked the power to refuse these lower wages. Furthermore, management began to

use "casual" workers, i.e., temporary workers who received lower wages, no benefits, were completely subject to lay-offs at management's discretion, and were outside the union. Since both "part-timers" and "casuals" lacked the power of the full-time workers, management was able to extract a greater output even as it paid them lower wages.

The introduction of unskilled sorters also allowed management to increase its pressure on the full-time skilled sorter. Arguing that the unskilled workers were sorting more quickly, and threatening to increase the number of "part-timers" and "casuals", management forced up the full-time clerk's output by over 3% between 1962 and 1965. As a direct result of this speed-up and the related introduction of the unskilled sorters, postal clerks began to break their identification with their work. Not only were they no longer solely responsible for the key operation of the mail system; but, with management threatening to use more unskilled sorters, it was also clear that their position within the Post Office hierarchy was no longer secure. Furthermore, their wages, which had always been below those of workers outside the Post Office, were deteriorating even more. Thus by 1965, the *Vancouver Sun* could report that "postmen on the west coast received \$3,000 per annum less than firemen or policemen of comparable seniority and \$2,000 less than common labour employed by the city".<sup>2</sup>

Over the same period, prices were steadily rising from the no-increase registered in 1961, and by 1965 inflation had reached 3%. As a result, there was a resurgence of strike activity. Auto workers in Oshawa, Oakville, and Windsor, machinists in Montreal, and construction workers in Toronto held massive strikes accounting for more than 3/4 of a million striker-days. Encouraged by this sharp outbreak in militancy, postal workers put forward a demand for a \$660 wage increase in July 1965.

The government, making the first of a series of blunders, responded by offering only \$300-\$360. Dissatisfaction among the workers was widespread, but the two major postal unions tried to restrain workers by warning them that walkouts would be unauthorized and illegal. The response was immediate: wildcat strikes broke out in Montreal and Vancouver. In short order postal workers in Toronto, along with workers across the country, joined in. At this point Post Office authorities were forced to place an embargo on all 2nd, 3rd, and 4th class mail.

Caught off balance by the workers' militancy, the government's reaction was confused. There were pleas from the Prime Minister asking workers to return; warnings from the Revenue Minister that the demands would not be granted through illegal action; and praise for the unions' "responsibility". None of these, including injunctions against

workers in Montreal and Vancouver, were successful however, and by the third day the illegal wildcat was 100% effective in the major financial centers. At the same time, the unions continued to maintain negotiations with the government and it wasn't until the 11th day of the strike that they officially endorsed the strike. In response, the government announced it was considering 1) the dismissal of the 4,100 striking postal workers in Montreal, 2) special legislation to end the walkout, and 3) the use of the army to move the mail. In turn, this escalation brought a pledge of "full support" for the cause of postal workers from the Canadian Labour Congress.

The government, apparently unprepared for the widespread support gained by the illegal strike, then made a major concession. They increased their wage offer to \$510-\$550, and agreed to investigate Post Office work rules and working conditions. Workers' opposition to this proposal was widespread, and in Montreal they overwhelmingly voted it down. Across the nation as a whole, however, the majority favoured a return to work. After gaining a few more concessions, some work was resumed on Aug. 7, and by Aug. 9, three weeks after it had started, the postal wildcat was over. 12,250 postal workers had taken on both the government and "their" union, and they had won. By showing determination and militancy, they had scored a resounding victory whose effect extended well beyond their substantial wage gain (over 12%) and as such established postal workers as a vanguard for the current wave of factory struggles.

First and foremost, the 1965 postal strike functioned as a reference point by demonstrating the critical dependence of capital on the mail system. Traditionally, business, which accounts for well over three-quarters of all mail processed, has relied heavily on the mail system for its cash flow. Then in the mid-Sixties with the rapid expansion of short-term credit through the use of credit cards, the mail system became an even more crucial link in the circuit of capital. As a result, even brief interruptions in mail service severely damage business. In 1974, for example, a Bank of Canada spokesman blamed the two-week wildcat for driving short-term rates up to 11.13% by "disrupting the delivery of payments through the mail"<sup>3</sup>. The best summary of this dependence of capital on the postal system appears in an ad for a postage meter company; it simply states: "The faster the mail goes out, the faster the money moves in".

Secondly, struggles by postal workers function as a reference point because of the highly visible character of interruptions in the mail service. Unlike strikes by mining or manufacturing workers which in Canada tend to be isolated in industrial communities located away from

the major cities, work stoppages by postal workers affect everyone. Thus, even one-day walkouts have a mass impact — often grabbing headlines in the process.

The significance of struggles by postal workers also flows from their position as federal employees. As government employees, they are forced to confront the State, not merely as the representative and guardian of the “public interest”, but also as their employer who directly commands their own labour power. Or more precisely, they can see that the effort of the State to ensure the continued reproduction of capitalist society depend directly on its enforcement of work-discipline on the shop-floor. The willingness of postal workers to engage in *illegal* strikes — 26 of the last 27 stoppages have been illegal — is a direct result. After all, laws ordering them back to work are simply other, more heavy-handed attempts on the part of the employer to enforce the work process.

Being federal employees is of added significance because it establishes a material link between workers scattered throughout the country. In Canada, where the working class is divided geographically into 5 distinct, very large regions, this linkage provided by the State's organization has proved to be crucial in spreading struggles. For example, in 1965 the nation-wide strike by postal workers helped to generalize, and thereby strengthen, a growing strike wave which had been concentrated primarily in Ontario and Quebec.

At the national level, the vanguard position established by postal workers through their 1965 strike was confirmed by the reaction of the State: it immediately began the preparation of legislation granting full collective bargaining to all federal workers. Previously there had been only limited avenues for the peaceful resolution of grievances and the negotiations of contracts. Now, after postal workers had dramatically broken with their “civil-servant” tradition, it became imperative that labour-management relations be formalized by bringing into play the full weight of State regulations surrounding collective bargaining. This requirement on the part of the State was forcefully underlined by federal workers' struggles which took place the following year. Thus in the spring of 1967 the Canadian State enacted the *Public Service Staff Relation Act*, thereby legalizing the strike weapon for some 200,000 State workers.

But while the central position occupied by postal workers in capital's organizations of society has allowed them to play a leading role at the national level, the power of postal workers has been consolidated through the daily struggles on the shop-floor. The 1965 strike had thrown the Post Office into crisis. By winning a wage increase in excess

of 12% postal workers had broken the link between wages and productivity. In response, the State, which desperately needed to re-establish this link, launched a series of attacks aimed at increasing the amount of work done — at extracting a greater amount of surplus value. Postal workers, however, were not about to submit to this increased exploitation. On the contrary, having just gained some autonomy from capital, they were now better prepared to act on their need for more money and less work. As a result, postal workers and the State became locked in an increasingly bitter struggle.

The immediate result of the increased power that derived from the victorious 1965 strike was increased resistance on the shop-floor. With a defeat of the State now under their belts, postal workers were not going to be pushed around by a bunch of supervisors. Thus management, whose goal could be simply stated as *increased productivity*, found its implementation next to impossible. The key element in the resistance of postal workers was the clerk's possession of the skill needed to keep the mail system going, and the accompanying control over the work process which that gave them. Productivity counts, counselings, and other forms of harassment, which had raised output prior to the 1965 strike, now had the reverse effect. No longer intimidated by these attacks, postal workers saw them clearly as provocations and thus used their control over production to slow the process down. Soon it became obvious to management that if they were to increase the work done they had to break the power of the skilled clerk.

Their first attempt, however, completely misread the strengths of postal workers. Consisting of two prongs, this attack attempted first to undermine the control of the skilled sorter by increasing the use of unskilled, but still manual, sortation techniques. Secondly, drawing on their success with the part-timers, they increased the number of women and young workers in full-time positions. Their hope was that these workers would be easier to control owing to their lack of experience with factory struggles. In actuality, this attempt backfired. Rather than increasing production, this strategy actually gave more power to the workers and thus only served to intensify the struggle.

The major miscalculation was their assessment of the on-the-job performance of women and young workers. Unlike their peers of even a decade earlier, young workers by the mid-Sixties possessed a "significant amount of economic freedom".<sup>4</sup> Rooted in part in the "affluence" gained by the working class since the Second World War, this power of the young workers has resulted in "high job expectations" and a "weak attachment to the labour force"<sup>5</sup>. Strengthened by the struggles of blacks, students, and women against their particular social function,



these young workers have formed a "new class of worker" whose main characteristic is a refusal to accept the tyrannical discipline of waged work as a condition of life<sup>6</sup>.

At the Post Office, this rebelliousness was made all the more successful by a work process which, unlike that in the more common automated or mechanized plant, lacked a system of machine-imposed controls. Trying to run a mail system which relied on the willingness to work out of a sense of "duty", on the identification with work as the "way to get ahead", the Post Office management found itself unprepared to handle the insubordination of these mass workers. Over the last 8-10 years, as their number has increased, the refusal of these workers — expressed through absenteeism, turnover, sabotage — has come to dominate the struggle at the Post Office.

The power of the postal workers also grew as a result of the other prong of management's plan. Through the increased use of unskilled sortation, management not only undermined the division between skilled and unskilled workers, but also eroded the skilled sorters' identification with their work. Increasingly therefore, the job was looked upon purely as a source of money. At the same time, this unskilled sortation (which separated mail alphabetically rather than geographically) still left the actual movement of mail in the hands of postal workers. Thus, although letters could be sorted more quickly in this simplified process, the system still depended on the workers to set the pace. Certainly the supervisors were quick to harass any worker who was "too slow", but now, with the commitment to work greatly diminished, they found it necessary to push harder and harder. In turn, this increased pressure only served to stimulate further acts of resistance by all categories of postal workers. Taken together, these changes, in both the composition of the workforce and in the system of mail sortation, consolidated the strength of postal workers.

Over the same period, the increasing power of postal workers caused a sharpening of the struggle over working conditions. Previous to the 1965 walkout, management, feeling no pressure from the workers, had refrained from making necessary renovations. Then, as part of the strike settlement, they had been forced to agree to make an investigation into the deteriorating working conditions. The report which followed supported the workers' grievances, and listed some 300 needed improvements, including the installation of new washroom and cafeteria facilities in many Post Offices. But, because the government was reluctant to spend any more money on postal workers, the correction of these conditions was slow to follow. By 1968 only half the recommendations had been acted on, and that summer, postal workers, angered by

the stinginess of the government, made their second national strike.

Again, as in 1965, this mail strike was a reference point for the rest of the working class. Involving 24,000 postal workers (14,000 "inside" workers, 10,000 "outside" workers), this strike was the largest and most widespread of those which took place in 1968. More importantly, it was also the first strike under the new legislation which made strikes by State workers legal. Thus postal workers, whose previous strike had provoked this legislation, were now setting the pace for other federal workers whose contracts were also being negotiated. As the *Globe & Mail* headlined during the strike: "165,000 civil servants eye postal offer".

By 1968, the government was much more determined to avoid the disaster of the 1965 strike. By holding the line with postal workers, the State planned to contain the wage demands of all federal workers, and if possible, discredit the strike weapon. This strike also found the unions much better prepared than in 1965, when they had been outflanked by a militant rank and file. In accordance with the new legislation, they had been re-organized so that the "inside" workers' union and the letter carriers' union carried on joint negotiations with the government. By allowing each union executive to blame the other for any lack of progress, this arrangement served to defuse the workers' militancy. Furthermore, the old, discredited leadership had been replaced by local officials who had been prominent in the 1965 strike.

Throughout the negotiations the government refused to make an offer. Then the unions, whose initial demand of 30% over one year was still on the table, finally set July 18 as the strike date. The government waited until July 17 before making its move. First, it began the planned embargo on all mail and second, it put forward an offer of 6%. Predictably, this was rejected on the spot by the union negotiators. The offer had deliberately been made too late to stop the strike. It appeared that the government was counting on an extended strike to soften up postal workers.

The next day the strike began on schedule as postal workers across the country walked out. Immediately business set up a howl. Claiming that they (and the "public") were being irreparably damaged, their only solution was for the government to legislate postal workers back to work *and* then to outlaw all further strikes by federal workers. The government meanwhile was playing a waiting game, and their next move only came 2 weeks later when they offered 19% over 38 months. Representing simply a longer version of the initial offer, the unions turned it down and the strike went into its third week. Calling on the government to intervene "in the public interest" more business and government leaders spoke out against the strike. Five days later the

Prime Minister, apparently bowing to this pressure, let it be known that he was considering asking the cabinet to intervene, unless substantial progress was made. That night the Post Office made its third offer: 15.1% over 26 months. Although it represented only a marginal improvement over the first offer, union negotiators, with the Prime Minister's threat ringing in their ears, found it acceptable. The reaction of the workers, who by this time had lost three weeks pay, was less favourable. But after a number of very heated meetings during which the union leaders recalled their militance in the 1965 strike, they were able to convince the workers it was the best possible settlement. Consequently, although the vote was "very close", work resumed on Aug. 8.

The results of this strike clearly favoured the State. The wage demand of postal workers had been contained, thereby setting an upper limit for all State workers — a limit which was not broken. By refusing to budge from its initial position, while threatening to use its legislative power to impose a settlement, the government had scored a victory at the bargaining table. In the process, it was able to successfully make use of the union structure. First, by maintaining a hard line it allowed the lack of strike pay, together with three weeks' lost pay, to undermine the workers' bargaining position. Secondly, the government used the union leaders to convince the workers that the settlement was acceptable — something which the government by itself could not have done.

But while the State had managed to "hold the line" during this particular skirmish, through the very act of striking, postal workers had dramatized their mounting struggle against work. By taking a three-week "holiday" during the prime holiday period, they had completely disrupted the mail service, thus preventing the State from maintaining a vital function. For capital, therefore, its long-term goal remained unreachd: much more than just a favourable strike settlement was needed if it was to succeed in moving the mail "efficiently", i.e., if it was to increase the ratio of work done to wages paid.

### **Automation: "The Technological Path to Repression"**

Fed by the increasing disaffection of the skilled workers and the introduction of the mass worker, the State faced an increasingly effective shop-floor struggle, which stated succinctly consisted of getting as much as possible for the least possible work. For example, the practice of gaining time off for breaks, etc., by slowing down, or "dogging it", was enjoying increasing success. Developed most by skilled workers, this form of struggle was spreading to include all other categories of workers as well. Along with it, absenteeism and turnover were rising steadily to produce a less and less stable workforce and

higher labour costs.

For capital, of course, all this meant an increasingly “inefficient” mail system. Between 1965 and 1968 mail volume rose by 8% while output per worker fell by 8%. As a result management was forced to increase the workforce by more than 15%. Each increase, of course, only served to institutionalize a new lower rate of production. In turn, this new rate became the level from which postal workers slowed down even further.

Traditionally management would have used two weapons, i.e., firings and increased harassment, to break this declining “productivity spiral”. At the Post Office, however, precisely because of the dependence of the system on the skill which the workers possessed, these weapons were too costly. Firings on a large scale were out, not only because over 3-4 months training had been invested in each worker, but also because it would have taken that long to train a new workforce — during which time business needed its mail. Furthermore, management, facing a shortage of labour, needed every worker they could get. The control over the work process also meant that the workers responded to all forms of shop-floor harassment by simply intensifying the “productivity spiral”. Consequently, by 1972 output per worker was a full 12.5% lower than it had been in 1965.<sup>7</sup>

On the one hand, therefore, postal workers were drastically reducing the amount of work they were forced to do. On the other hand, they were also successfully increasing the amount of money they received. On the strength of their struggles during the three years from 1965 to 1968 they made a wage gain of 18%, discounting inflation; in contrast, they made only a 14% increase over the preceding six years (from 1958-64). As more workers made more money, labour costs accounted for an ever increasing share of the total Post Office budget. Thus, by 1969, postal workers were imposing on the State *decreasing productivity along with large wage increases as conditions for the continued operation of the postal system*.

Taken overall, the gains made by postal workers were reflected in the deteriorating financial position of the Post Office. From its first budget deficit of \$34 million, recorded in 1965, the Post Office moved steadily further into the red, reaching a figure of \$88 million by 1969. At the same time, business was increasing its reliance on the mail system. Spurred on by a rapid increase in the bulk mailings — billings, advertisements, etc., — needed to maintain their financial position, the volume of mail has doubled since 1967. Business mail now accounts for 85% of the 20 million pieces processed each day. As a consequence of this growth, postal operations became increasingly *centralized* in the major financial centers of Toronto, Montreal and Vancouver.

The priority given by the Post Office to the needs of business can be seen in the decisions made in the late Sixties to institute a host of special programs — notably the “guaranteed next-day delivery” — while at the same time eliminating the “non-essential” Saturday delivery in the urban centers. But while these changes clearly favoured business, they did nothing to challenge capital’s major obstacle: the shop-floor struggle against work by postal workers.

By the fall of 1969 the government was finally forced to admit that its long-term goal — the restoration of “profitability” through the suppression of this struggle—would require a fundamental re-organization of the work process. In November of that year the Postmaster General received a report entitled *A Blueprint for Change: Canada Post Office*. It began: “We propose in this report to be blunt, because we believe that the Canada Post Office is at a crossroads in its history”<sup>8</sup>. And, although this particular study was concerned primarily with the re-organization of the management bureaucracy, it clearly identified the problem they faced, and in broad terms, sketched the outline of the State’s second, more concerted attack. The problem was defined variously as “strikes”, “Annual Deficits”, “rising costs, particularly labour costs”, “rising mail volumes”, “productivity rates”; in short, a mounting “inability to cope effectively with personnel problems”. Specifically, Post Office management was declared to lack the “control” necessary to ensure the “profitability” of the mail system.<sup>9</sup> Then after noting that this “lag in productivity can be related to the failure of the Canada Post Office ... to introduce mechanical sortation processes”, they announced that “the introduction of automation is ... essential if total annual expenditures (i.e., wages) are to be controlled and, more important, if the postal system serving the country is to consistently meet current demands”<sup>10</sup>.

By introducing machines, the State planned to take possession of the skill of sorting away from the postal clerk, and incorporate it in a machine. In so doing, they would be eliminating the postal workers’ main source of power, thus inflicting a major defeat on them. First, by simply setting the speed of the machines, management could determine the production rate, and enormously increase the output per worker. These same machines would also help the supervisors enforce this higher speed; mis-sorts would be automatically rejected and the “offender” identified; a light on each machine would signal the absence of any worker; etc. In addition, the automation process would break up the informal shop-floor organization — the basic unit in the daily struggle to work less. This speed-up would also mean the more rapid deterioration of worker’s health. In Ottawa, for example, where these machines have been operating for three years, workers have complained bitterly of

eye-strain, frequent head-aches, and nerve problems.

Secondly, the State planned to decrease the wages of postal workers. By claiming that the job of the machine operator, or coder, was “unskilled” when compared to that of the postal clerk, the government planned to pay the coder 75¢ an hour (\$1500 a year) less. Even though coders and clerks performed equivalent functions, and despite the fact that each had the same needs, by using the skilled workers’ argument that the wage rewards the possession of a skill, the Post Office hoped to reduce its deficit simply by cutting its wage bill. For the workers, this wage cut would mean a loss of power, both in the supermarket (purchasing power) and in the Post Office (ability to go on strike, take time off, etc.).

Thirdly, the government hoped to break its “dependence” on those workers who possessed the “specialized knowledge of the workings of the mail system”.<sup>11</sup> By replacing this skill with “skills related to keyboard operation” — i.e., skills which are held by a very large number of workers since they are required by many different jobs — the Post Office would not only eliminate the need to extensively train its workers, but it would also gain the power to discharge any worker it considered “unproductive”. For the workers, the massification of their skills, meant increasing the available competition for their jobs, therefore rendering them more vulnerable to management’s demands for more work and less money, or for increased amounts of unpaid labour needed to restore “profitability”.

Fourthly, the introduction of the machines demonstrated again the specific use that the State makes of female workers. Already it had capitalized on the fact that they perform unpaid work in the home, by forcing them into part-time work at lower wages than men. Now, particularly because women also possessed the needed “keyboard skills” — as typists, key-punch operators, etc. — management planned to hire them on as coders. Thus although they would get less money as coders than postal clerks, the State hoped that these women would be satisfied with this wage level, precisely because their other alternatives paid even less.

Technological change, as Marx had clearly seen, is *not* neutral: “It would be possible to write quite a history of the inventions, made since 1830, for the sole purpose of supplying capital with weapons against the revolts of the working class”<sup>12</sup>. Following this path — the “technological path to repression” — the Canadian State planned the automation of the postal system in order to impose a much greater level of exploitation<sup>13</sup>.

Certainly some resistance by postal workers was expected. As the

authors of *A Blueprint for Change* remarked: "particularly from those elements of the labour force that may be most directly affected by the introduction of automation"<sup>14</sup>. They added however that "resistance to change is of course inherent in the human being". Although with cost reductions in letter processing of 20% in the short term (up to 40% as the whole system becomes automated), they are clear that *any resistance* to their proposed plan must be overcome. This report also stressed the speed at which these machines should be introduced. For far too long a time the government had simply commissioned studies: now, they stated, it was time to produce a definite plan of action. And this sense of urgency proved more than justified when only six months later postal workers started their third national strike in five years.

### **1970: The Defeat of the State's Wage guideline**

By 1970 the Canadian working class had captured a greater share of social wealth than at any time since the Second World War. As part of a much larger international wave of struggles, workers in Canada, whose work-place struggle was highlighted by a 350% increase in strike-days over the period 1964-70, had driven after-tax profits down to the point where they accounted for only 9.0% of the Gross National Product. Certainly capital, through increasing inflation — it reached an annual rate of 4.6% in June 1969 — was taking in a greater amount in the community, i.e., supermarkets, housing, transportation, etc. But this gain had been more than offset by the amount it was forced to pay out in wages. Thus in 1970 capital at last directly attacked the work-place struggle.

Production slowed dramatically to a 2.5% rate of increase — less than half the rate recorded a year earlier. In turn, this slowdown forced the unemployment rate up until it reached a figure of 6.4% that September — a jump of almost 40% in only one year. Besides saving the wages withheld from these workers, capital was also using them, and the threat of even more unemployment, to force down the wage demands of those still employed. Furthermore, through the Prices and Incomes Commission, the State was attempting to impose voluntary acceptance of wage guidelines. Consequently, after numerous discussions with business and labour, the State announced early in the year that a guideline of 6% a year — inflation plus productivity increase — was in effect.

In this struggle, the importance of State workers again came to the fore. Having gained the right to strike in 1967, federal workers, and in particular postal workers, had made effective use of this weapon in gaining substantial wage increases which often outstripped those in private industry. Now, in the midst of a more general attack, the State

planned to contain their wage gains, thereby setting a “good example” for settlements in the private sector, as well as directly saving money.

Then late that spring, after the government had successfully concluded several contracts within this limit, postal workers, whose contracts were also being negotiated, gave notice of their intention to challenge the government’s ceiling. On May 15, before the national office of the union had even set a strike date, 5000 Montreal postal workers took to the streets protesting the “slowness in negotiations” and demonstrating their refusal to accept the State’s wage limit. In the face of this show of strength, the “neutral” conciliation report itself broke the government’s ceiling and recommended an annual increase of 6.3% within a 30 month contract. For the government negotiators, however, this concession, which would have meant a major loss of face, was unacceptable. Instead they stuck to their original offer of 5.3% per year. For the union, which had wanted a 10% annual increase all along, neither offer was adequate and so, amid threats by workers of more “premature” walkouts, it announced May 26 as the start of the third national postal strike.

In their previous national strike, postal workers had completely shut down the mail system all across the country. As a result the government had threatened to legislate them back to work, and then used this threat to force a settlement. This time, the union leaders decided to hold a “rotating strike”, i.e., selective, short-term walkouts made in turn by different groups of workers. By disrupting rather than actually stopping the flow of mail, they hoped to pressure the government while avoiding a direct clash in which they might have been outflanked by workers who defied the back to work legislation. The State also wanted to avoid a direct clash, and so it decided to let these mini-strikes, which were only delaying the mail, drag on. Thus throughout June, July and August the rotating strikes continued. Hitting first one city, then another, these strikes kept the struggle of postal workers on the front pages of newspaper for the whole summer, thus focusing widespread attention on the final settlement.

Shortly after the strike began it became clear that the State’s wage ceiling of 6% a year would fall. Postal workers had already rejected the 6.3% contained in the conciliation report, and as the strike progressed, the government’s offers slowly rose. Thus by August, as pressure from business was building up, the government was already offering more than the conciliation report’s recommendation. Then on September 7th, after some talk by government officials of introducing legislation, they raised their offer above 7% per year. The union negotiators accepted immediately and the next day, postal workers — despite opposition in



Montreal and Vancouver — ratified the successful settlement. *The State's guideline lay in shambles.*

Unable to hold the line with postal workers it was forced to abandon all plans of a wage guideline. Over the next year, other workers — particularly the 6300 Air Canada machinists who also held a “rotating” strike — followed the lead of postal workers in winning wage increases exceeding the 6% per year mark. Postal workers, by disrupting capital's attack on the work-place, had inflicted their second major defeat on the government in 5 years, and thereby, continued their vanguard role. Far more than the \$14 million in lost revenue, this victory over the guideline emphasized the need of the State to regain “control” through automation.

The 1970 strike was significant in yet another respect: it revealed the growing antagonism between the union and the rank and file in the face of the State's plan for automation. Throughout the strike the union managed to use its position as the only formal link between cities to maintain overall control, thus avoiding a repetition of its 1965 experience. But this control, rather than reflecting the allegiance of the rank and file — workers in Montreal had broken union discipline by wildcatting “prematurely”; militants in Thunder Bay seized and burnt a truck-load of mail being moved by scab carriers — actually covered an emerging difference in political strategy on the question of automation. Thus the refusal of the union leaders to call the “all-out” strike demanded by the workers was not simply due to a fear of directly confronting the laws of the State. Much more fundamentally this moderation expressed the weakness inherent in their strategic orientation towards management's plan for automation: the sectoral defense of the wage level and working conditions of the skilled postal worker.

Having based its power on the ability of the skilled clerk to control the work process, the “inside” workers' union did not fail to recognize automation as a direct attack. As one union official put it: “If our classifications are destroyed and our work is done by machines and by Level 1's (management proposed that coders be placed in this, the lowest-paid category) we (the skilled clerks) will have no bargaining power whatsoever. Whatever power we have is based upon our ability to control the work in the Post Office”<sup>15</sup>. As a result, the union's demands were 1) that all full-time sorters be trained for the manual sorting system, even after most knowledge sortation had been phased out; and 2) that there be job rotation for full-time sorters, so all would get a chance to work on the few skilled jobs that remained. Of critical significance, however, was the fact that, at no point, did the union question the decision of management to introduce the automatic

machines. Thus, even though it accepted that the skilled clerk would no longer be required by the work process, the union hoped to artificially preserve his position. The weakness of union's strategy was predicted on the basic assumption held by all skilled workers and their unions: wages and working conditions are a reward for a job well done. Thus, it was argued, skilled workers "deserve" the highest wages precisely because of their ability to work more productively. This argument, of course, played directly into the hands of management — since coders were unskilled, they "deserved" lower wages.

But, while the union was adopting its strategy to deal with automation, postal workers were pursuing a course which led in exactly the opposite direction. Already they were using extra-union forms of struggle — "dogging it", absenteeism, etc. — to express their resistance against more work. Now, as more details about the State's automation program became public, making clear the government's desire for more productivity, the postal workers' identification with their work suffered a further blow. Consequently they increasingly relied on their own means — direct management of the shop-floor struggle — to satisfy their needs for less work, more time and more money. In the process they were directly opposing the union, which was basing its demand for the maintenance of the skilled sorter on their ability to work quickly and accurately. During the 1970 strike this conflict between postal workers and the union had for the most part been muted. Two years later, as the automation program turned the weaknesses of the union strategy into an outright failure, this conflict broke into the open.

### **The Consolidation of Worker's Self-Organization**

By the start of the 1972 contract negotiations, the State was proceeding to implement its automation program. Construction had begun on almost all of the "mail-processing factories", and in Ottawa the first automated plant was being tested under "live mail" conditions. Management's choice of Ottawa to initiate the program was based both on the relative lack of militancy of workers there — as compared to postal workers in the larger cities — and also on the very high proportion of government mail, which was already using the new postal code required by the machines. Under these favourable conditions the State planned to iron-out all the "bugs" of the new system, while gaining a foothold against the expected resistance of postal workers in the major financial centers of Toronto, Montreal and Vancouver. Specifically, the government wanted to test the reaction of the workers to the new machines, set production rates, etc. as well as establish the order in the lowest paid category.

In response to this start-up, the union offered no serious resistance. Despite the lack of agreement over some major issues — notably the wage level of the coder — they refused to call for strike action, and instead told workers to wait for the “proper time”, i.e., the upcoming contract talks. But, having retreated once, the union now entered these negotiations in a very weak position.

The contract expired in March 1972 and over the summer months talks dragged on. The government negotiators, sensing the union's lack of power, were holding firm on the two major fronts. First, they refused to increase the wage-rate for the coder. Having won a major victory by forcing the union to accept the legitimacy of a separate, lower classification, they were now insisting that the 75¢/hour wage differential established in Ottawa be maintained. Second, they refused to offer more than a 56¢ wage increase over 33 months — a rate of 5.7% per year. To justify this low figure, they simply agreed with the union's argument that wages are a reward for productive work and then pointed to the actions by an “irresponsible” workforce who had reduced the average output per worker by more than 12.5% since 1965. The union leaders, who had been demanding an annual increase of over 9% with only a two-year contract, found both positions unacceptable. At the same time, however, their strategy in the face of the automation program had placed them on the defensive. Already they had lost the demand for wage parity between coders and clerks, and they now found themselves unable to counter management's arguments in favour of limiting wage increases. As a result, the union was unable to escalate the pressure on the government by breaking off negotiations and issuing a call for strike action.

As the talks dragged on, the workers held firm the shop-floor struggle. Then in the fall, fed up with the union's procrastination, the workers initiated on their own a series of wildcat strikes. Through November and December each of the major centers was struck, and in Toronto a court injunction was needed to force a resumption of work. At the same time, these wildcats remained isolated within each city. The union leaders who saw their bargaining position being undermined by these illegal actions refused to coordinate them. Although the “spontaneous” link-up that had occurred in 1965 did not repeat itself, these wildcats were successful in speeding up negotiations.

As a result, on December 18, a conciliation report recommending 18.5% over 33 months was made public. At this point, the weaknesses in the union's strategy broke through and their leadership collapsed. Not only were they unable to agree on the proposal (six negotiators voted against; four voted to accept), but after this split decision, each negotia-

tor insisted on taking his personal position to the membership. They also postponed the rank and file vote until after the Christmas rush, depriving them of any leverage they might have had. Clearly these officials were not going to gain any more from the government. Thus, even though the proposed wage increase was well below the 7.5% rate of inflation, postal workers had no alternative but to accept the conciliation report.

For postal workers the 1972 contract was a sharp defeat. Embittered at having to bear the costs of the union's failures, they immediately moved to strengthen those daily forms of struggle which escaped the union control. One worker, who developed the practice of increasing his wages by taking money from the mail, put it bluntly: "The fucking union's not doing anything, so you have to look out for yourself". As if to announce this break, workers in Toronto protesting the settlement went on a three-day wildcat late in January 1973, forcing the *union officials* to call in the local police to "maintain order", and to lead a minority of workers across picket lines.

Aside from directly slowing production, or "dogging it", most of the extra-union forms of struggle were borrowed from the unskilled, assembly-line workers. Initially these forms were developed by the mass workers to attack management's use of machines to extract a greater amount of unpaid labour. Subsequently, with the generalization of the mass worker, these forms of struggle have been appropriated by many other groups of workers. At the Post Office, these forms have been picked up primarily by the young workers, whose numbers have increased markedly, and whose insubordination has become a constant in the productivity crisis.

From capital's point of view, the most damaging of these forms was absenteeism, or "calling-in sick". Acting on their needs for more time away from work, postal workers made increasing use of the 15 paid sick days per year, and by 1974 more than 1 worker in 10 was absent each shift. As well as costing millions of dollars in sick-pay, this struggle also took back money from the State by continually forcing management to hire on more workers. A variation of this form is the worker's use of the contract clause allowing them to punch out "sick" two hours early and still get paid for a full shift. In Montreal alone, this practice gained them over a half million dollars in 1973.

Another form of the mass workers' struggle against work — turnover — has reinforced the success of absenteeism. In contrast to the long-term commitment of postal workers in earlier decades, the young mass worker of the 1970's has increasingly refused to spend the rest of his/her life working at the Post Office. Consequently, the quit rate climbed

sharply as over 35% of those hired left within 12 months. In Toronto, turnover hit 46% in 1974 causing Post Office spokesmen to complain of a "critical labour shortage". Needing every worker they could get, management was forced to relax the discipline on the shop-floor. This, of course, only furthered the success of other forms of struggle.

Sabotage was chief among these. The most widespread method of directly interfering with the flow of mail was mis-sorting. Running at an average rate of up to 10%, this figure always jumped anytime management tried to mount a "more work" campaign. Another method of sabotage, which from the workers' point of view was much more lucrative, was theft from the mails. Most simply this was accomplished by pocketing the desired item — particularly cheques and credit cards. A more organized version involved changing the destination of the item by covering the original address label with another one. Using these methods postal workers in Quebec alone seized \$1.5 million in government cheques in 1973, and in Toronto a major bank spokesman claimed "thefts from the mail cost Canadian bankers millions of dollars a year and are the single biggest cause of loss". This practice is not contained to Canada by any means. In London, England, for example, one group of 9 postal workers seized 3/4 million dollars by redirecting packages to specially rented apartments.

For the most part, however, this intensification of the shop-floor struggle was carried on far from the "public eye". Spearheaded by the upfront refusal of the young workers, the struggle by all postal workers for more money for less work — for more power — occurred as part of the daily routine, and as such, was seldom treated as "News". In the process of this "anonymous" struggle, however, the social relations necessary for the larger battles were created. On the one hand, relationships between workers and management became openly antagonistic as each maneuvered to gain an advantage over the other. Where supervisors lacked "neutral" machines to help control the workforce, this relation was particularly sharp as they were forced to directly confront the workers in a manner not unlike "sergeant-majors". On the other hand, relationships between workers were solidified as they moved to support each other by co-operating in their common struggle. Over the last three years, the power contained in this solidarity has been used to postal workers to precipitate numerous, headline-grabbing work stoppages.

In February 1974 in Toronto, for example, the four-hour suspension of a worker following his harassment by a security guard, provoked a two-hour stoppage by 50 workers which took the form of "booking-off sick". Management escalated the struggle by firing a shop-steward and

the workers responded by shutting down the Post Office altogether. The regional union officer was flown in from Ottawa to quell the "unrest" and only 24 hours later the union managed to regain control. Under union orders, the workers were forced back to work, although for over two weeks they carried on a campaign of slowdown and mis-sorting. Incidents such as these contain the seeds of workers' self-organization which made a Montreal wildcat turn into a nation-wide, two week, illegal strike.

The peak of workers' self-organization in the Post Office is found in Montreal. Directly supported by the larger Quebec working class movement, which in May 1972 held the largest general strike in North American history, the struggles of the Montreal postal workers have in turn helped build this power base. This has meant that with respect to other Canadian postal workers, those in Montreal have often taken the lead in rejecting inadequate settlements and in pushing for more advantageous terms. Furthermore, through their daily shop-floor struggles they have been able to take back more from the State while working less. In the words of Andre Ouellet, the previous Postmaster General, they had created the "least productive postal centre in the whole country"<sup>16</sup>.

On April 10, 1974, a group of these workers refused to work until a particular supervisor who had been harassing them for over a month was removed. They were suspended on the spot, and when a steward spoke to them in a nearby lunchroom, he was fired on the spot. Angered more than ever, these workers went to each floor of the main terminal encouraging their workmates to stop work and begin an occupation to support their demand: the lifting of all disciplinary actions. Within a couple of hours the occupation was complete as the workers chased the supervisors off the floors and seized control of the "house phones" and the Telex machine. By this time over 300 workers had been suspended, but these reprisals only strengthened their resolve.

Initially the national union council decided not to support the workers' demand since they expected the occupation would soon collapse. To this end, McCall, the president of the "inside" workers' union, negotiated a deal with Ouellet which left many suspensions intact. The workers, however, having learned to rely on themselves in previous struggles, continued their occupation of the Montreal Post Office, despite a court injunction which on April 12 ordered them to vacate the building. In the face of this determination, the Quebec officials realized they were in danger of losing control over the workers and as a result convinced the council to reverse its stand. With his position defeated, McCall was forced to resign. In reaction, the Post-

master General challenged the council by stating publicly that postal workers in the rest of the country would not support the Montreal workers. At this point the national union had no choice but to call for work stoppages. Thus on April 16 postal workers across the country began to stop work by "sitting-in". In contrast to the occupation in Montreal where workers took over the whole building, these union-directed "sit-ins" were confined to the cafeterias. The same day, the Montreal riot police — in full battle dress — entered the Post Office ending the six-day occupation. Following their eviction, over 2000 strikers held a mass meeting, thus demonstrating that, far from being beaten, they were completely determined to win their demand.

Forced by the power of the Montreal workers to call an illegal, nation-wide strike, the union officials wanted to use the strike to re-establish the position they had lost through the 1972 negotiations. No longer basing their power on the ability of the skilled worker to work productively, the union was instead seeking to use the refusal of workers to establish itself as "co-manager" of the automation program. As a result, they raised the demand of wage parity between the postal coder and the postal clerk, and used this demand to rally the support of other postal workers.

Across the country the workers' reaction to the strike call was mixed. Unlike workers in Montreal who had initiated their own occupation, those in other centers were being asked by the union leadership to strike "on command" for two issues — wage parity for the coder, and the reinstatement of the Montreal militants — where their own interests were not clearly defined. As a result they viewed the strike primarily as an *unpaid holiday*. On this basis, the young workers, who were concentrated on the afternoon and night shifts due to the seniority system, generally supported the actions because they gained time away from work. On the other hand, the older workers on the day shifts, who through "dogging it" did the least work in the Post Office, and who often had family responsibilities, generally opposed the "sit-ins" because of the loss in pay. After several days, with half the workers "sitting-in" and the other half working, the union decided to set up picket lines which were grudgingly respected by the day shift workers, thus making the strike 100% effective. When the union wanted to call off the strike it successfully used these workers to lead the return to work. The letter carriers — whose union had also issued a strike call — generally opposed any strike action as they stood to gain little from the strike. The only exception occurred in Vancouver where a joint shop stewards committee demanded an interim wage increase to cover inflation, thus achieving a significant degree of unity between letter carriers and young

and old "inside" workers.

The State, which desperately wanted to enforce the disciplinary actions against the Montreal workers, initially reacted to the nation-wide strike by taking a hard line. It took out full page ads in Canada's 20 largest daily newspapers which blamed unnamed "elements" for the "unnecessary strike", and Ouellet threatened to sue the union a half million dollars a day for lost revenue. But, as the illegal strike entered its second week with over 30,000 postal workers still shutting off the flow of its mail, business stepped up its pressure for a return to work — regardless of the terms. Then on April 26 the State capitulated: all disciplinary actions were dropped; no action would be taken against the union; and, a management-union committee was established to resolve the coder issue. By relying on their own power, Montreal postal workers had forced the union to take up their case, and then, with the support of other workers, they had beaten the State into submission. Emerging directly from the shop-floor struggle in Montreal, this confrontation became nation-wide and scored a decisive victory for all workers. Celebrated by a victory march through the streets of Montreal, this success marked a new stage in the struggle between postal workers and the State.

Ocurring at the same time as other important strikes by State workers — especially the illegal strike by 1,400 airport firemen — the April postal strike was an object lesson for workers throughout the country. By disregarding the "established channels" and simply refusing to work until their demands were satisfied, postal workers helped spark a growing strike movement. In 1974 — a light bargaining year — this movement cost capital 9.3 million striker-days, placing Canadian workers second only to Italian workers in time gained through strikes. Fearing a repetition of the April strikes by State workers, the government moved quickly and, in early May, all federal employees received an unprecedented, mid-contract increase of 25¢ an hour. As one postal worker put it: "Sure it's a bribe, but we earned it!"

Through the militance of the April strike, postal workers also gained a new Postmaster General. Unable to contain the struggle of postal workers, Andre Ouellet found his "promising career" cut short when the State appointed Bryce Mackasey as the fourth Postmaster General since 1965. Describing his new job as "making a good Post Office", Mackasey and the government were hoping that his reputation as a "friend of labour" would help him to re-establish control at the Post Office.

The April strike also brought to a head the conflict between the letter carriers' union and the "inside" workers' union. Since 1967 they had co-operated through the Council of Postal Unions — a bureaucratic link at



the top. Although there had often been tension between the two unions, until 1974 this arrangement proved adequate. Then, as the militancy of postal workers developed it became clear that each union would have to address more specifically the workers' grievances if its control was to be maintained. During the April strike, the letter carriers, who were only indirectly affected by automation, had strongly objected to being called out simply to support the "inside workers". Thus in the summer of 1974 the Council of Postal Unions was formally dissolved.

The April strike also forced major changes in the structure of the "inside" workers' union. First, officials from Quebec moved into several positions of national importance, and Jean-Claude Parrot — the national vice-president — became the editor of the union newspaper. This change, which was based on the strength of Quebec postal workers, coincided with *the consolidation of the union as the "co-manager" of the automation program*. With the president on record as stating that "only a fool would try to stop progress",<sup>17</sup> the union has clearly affirmed its acceptance of the State's use of automation to impose a tighter link between wages and productivity. For example, while the union did gain wage parity for the postal coders, in exchange it abandoned its long-standing rejection of management's right to impose production quotas. No longer holding the sectoral defense of the skilled worker as its first priority, the union is now striving to obtain some direct control over the implementation of the automation program under the slogan "all postal workers must share in the benefits of automation". In the wake of the April strike the union-management "Manpower Committee", which had been established in 1972, met for the first time allowing the union to play a consultative role. More recently, the union has mounted a strong propaganda campaign aimed at acquiring the legal power to negotiate all aspects of technological change and has been singing the praises of "workers' control" in its publications. This stance on the part of the union is presently being echoed by the Postmaster General, who has stated that postal workers will have "the maximum degree of industrial democracy" and "a greater voice in their productivity"<sup>18</sup>. Intending to keep the government to its pronouncements, the union has made clear that it will make full use of workers' insubordination to gain leverage with the State — it has already called on workers not to sort mail bearing the new postal code — in order to ensure for itself the position of "co-manager" of the automation program.

Finally, and most importantly, the April strike strengthened the workers' daily struggle on the shop-floor. The almost total lack of identification of postal workers with their work was demonstrated during the April strike when they sang: "Hail, hail, the mail's in there,

what the hell do we care..." Having forced the State to retreat from its disciplinary actions, workers stepped up their extra-union forms of struggle to circumvent the union's maneuvers aimed at restoring discipline on the shop-floor, as a result, the Post Office deficit for 1974 jumped to \$177.2 million.

Both the government and the union know that *this increasing refusal by postal workers has thrown into question the success of the automation program*. Undoubtedly capital still plans to automate. As Mackasey said late last year: "We have to automate .... We have to handle increasing volumes of mail efficiently ..... It is imperative that the Post Office function"<sup>19</sup>. But the weaknesses of the automation program as a solution to the long-term productivity crisis are becoming more compelling every day.

In small centers such as Ottawa, Winnipeg, and Calgary the route to automation is proving "frustrating and disappointing". Officials are grim enough to refer to it as a "failure" but insist it is not a "disaster"<sup>20</sup>. Absenteeism, turnover, and sabotage — weapons that postal workers have used with growing facility — are now proving their effectiveness against machine-imposed work. In Calgary, for example, the machines "are breaking down frequently" and the new processing plant is "under-staffed". Blaming a high turnover — one group of 25 young workers hired last spring as permanent employees all quit in the fall — the local postmaster has been forced to concede that mail service has gone downhill since the new plant opened<sup>21</sup>.

A spectacular indication of how the automation program is already a few steps behind the present level of workers' insubordination occurred in Toronto recently. At about 5:00 AM on Nov. 26, 1974, after most of the mail for the city had been cleared, a fire broke out in the main Terminal. No one was injured and no unemployment or other social assistance cheques were lost, but before it was put out, the blaze had destroyed half the main Terminal causing over \$1.5 million damage. One worker from another part of the building, who stopped work when smoke was sucked through the ventilation system, described the reaction of most employees this way: "We were standing there watching the firemen fight the fire — and we were all cheering for the fire!" Although the cause of the fire was officially 'undetermined', the workers benefited in a number of ways. First, they did much less work than usual for full pay, while management scurried around organizing temporary facilities. Secondly, since these makeshift quarters lacked the regular control mechanisms, "dogging it" in these areas jumped enormously. Thirdly, over 2500 extra jobs were created for a period of time, thus spreading the work thinner.

The inadequacy of the automation program has also been demonstrated in Montreal where management won't have the help of machines for at least two years. Attacked by inflation rates above 11%, these postal workers have slowed production to the point where management has been forced to give "blanket overtime" for the past 12 months — 26 extra hours a week (18 of them at double time) *if the workers want*. And, as one worker boasted: "We now do less work in 10 hours than we used to do in 8". At the same time, postal workers across the country have strengthened their wage demands. In the current contract talks they have forced the union to adopt a program calling for a 71% wage increase, 40 hours pay for 30 hours work, \$1.50 premium for afternoon and night shifts, among other benefits.

Faced with the failure of the automation program to re-establish control over the workforce, the State is now moving to directly repress the postal workers' struggle. Under the cover of a generalized attack on workplace struggles — legal actions against strikers; State imposed settlements; State trusteeship of unions, etc. — the State has picked out postal workers for special treatment because of their leading role. In March, Mackasey threatened in the House of Commons "to close the Montreal Post Office for several months to purge the militants and slackers ... to clean out of the Post Office all those elements who draw money and are not doing an honest day's work"<sup>22</sup>. Then in April, after claiming that "the sons of bitches just won't work" he ordered the "indefinite suspension" of 39 militants<sup>23</sup>.

This shift away from merely re-organizing the work process to the use of direct force is a decisive new turn in the State's strategy against workers' insubordination. It signals the growing consolidation of a new level of workers' struggle in the State sector — a struggle not against this or that work process, but a struggle for liberation from work itself.

*May, 1975*

#### FOOTNOTES

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## Wildcats In The Appalachian Coal Fields

William Cleaver

*A little blow-out don't hurt nothin'. A coal miner ain't nobody until he goes on strike, then everybody's looking at him.*

The 1974 coal strike and settlement were an attempt by capital to stabilize class relations in Appalachia by bringing 'labor peace' to the mines. The contract was a response to the miners' decade long wildcat movement. That movement involved not only the mine workers but the entire class community in struggle against mine owners and operators. The contract was an attempt to end that movement by denying locals the right to strike and by designing grievance procedures which could isolate problems inside the mines before they could develop into a wildcat. The wildcat movement, however, has not only survived but developed new intensity.

The wildcat movement has survived because it has become a method of community struggle and not simply a measure of 'labor discontent' to be controlled at the point of production. The focal point of that struggle is the breakdown of the main capitalist division of the waged and unwaged. The wildcats not only brought workers out of the mines, but women, children, invalids and the unemployed out into the streets with their own demands. Because that breakdown has meant the joining of the strategies and demands of the waged and unwaged in Appalachia, wildcats have been directed against anything from corrupt local law enforcement to gasoline shortages to substandard health care in addition to specific mine issues such as safety and job posting.

The joining of the struggles of the waged and unwaged grew, in part, out of the failure of capital's plans for Appalachia in the Sixties—the failure of the poverty programs. These programs attempted to respond to such community phenomena as 'tax revolts', 'welfarism' and 'automation unemployment', without distinguishing between waged and unwaged sections of the community. Such a lack of distinction made it easier for those sections to end their political separation. In order to understand the terms and consequences of the failure of the poverty

programs, it is necessary to understand the broader class context out of which the contemporary wildcat movement developed.

The struggles in the coal fields over the last twenty-five years may be divided into three distinct phases. The first, from 1950 to approximately 1962, saw the formalization of a union/industry alliance as capital's response to the wage struggles of the Forties. The second phase that dominated most of the Sixties saw the re-organization of the institutions that had formerly mediated the struggle and the collapse of capital's plans for the division of different sectors of the miners. The third phase that began in 1969 has seen an abortive attempt to re-establish Union control over the working class, the expansion of the wildcat movement, and the introduction of the "energy crisis."

## II

During the Forties the Federal government was forced to intervene against militant strikers several times in order to keep coal flowing to the war and reconstruction efforts. By the end of the Forties it became clear that things had to change ("bayonets cannot mine coal," as Lewis said), or the Appalachian working class would fly out of control.

The strikes of the war years were victorious in part for occurring within a protected energy market. Government policy and ARAMCO rapidly changed this at the end of the war. ARAMCO increased its annual production of crude oil by a factor of ten between 1945 and 1950. The restructuring of international energy policy quickly made itself felt in North American market and transportation policies. Oil and gas competition brought stagnant prices. The transition from freight trains to trucks, from rails to roads, from barges to pipelines amounted to a revolution in primary goods transportation that struck the Appalachian miners "behind their backs." "The Brutus blow of dieselization" was decisive.<sup>1</sup>

This is the background required to understand the massive attack on the miners that was codified in the 1950 National Bituminous Coal and Wage Agreement. Signed between the operators and the United Mine Workers(UMW) it marked the end of the Union's role in representing the struggle and announced its new position as an agent for the repression of struggle. By this agreement the Union engineered a sweeping technological re-organization of coal mining that drastically curtailed the power of the miners. It cleared away miners' opposition to the introduction of improved hauling equipment for thin seam coal, to the spread of the continuous mining machine, to new drilling and ripping equipment, and above all it guaranteed peace for the development of surface mining where the stripping shovel, the dragline and the bulldozer revolutionized productivity.

Against this, the wage structure was overhauled. Rates and differentials were simplified. Tonnage and yard payments were transferred to hourly rates. A substantial increase in individual earning was made possible by the reduction of the total payroll: between 1950 and 1960 the employment of coal miners dropped from 415,000 to 180,000. The combination of a wage and technological attack caused striking changes in productivity. Output per miner increased by 100% between 1950 and 1960. Surface mines were twice as productive as shaft or slope mines. To be sure this made mining more vulnerable to interruptions and attack as it placed a premium upon continuous operation at full capacity. Only the new Health, Welfare and Retirement fund was tied directly to productivity and this meant that pensioners who retained the right to vote in union elections formed the basis of internal union power that would be used more than once to diffuse local wage demands.

A direct consequence of the success of the capitalist initiative of the Fifties was an increase in the reserve army of the unemployed both in Appalachia and in the cities which were to become the major terminals of migration:

As the mines shut down, as the farms could no longer produce a living for those who worked them, as stores closed because of loss of sales, men and families by the thousands began a flood of migration from the mountains to the cities of the North and East. Over the past decade, a hundred thousand or more persons a year moved away from the mountains to Chicago, Columbus, Detroit, Cincinnati, and other metropolitan centers where at least the possibility of jobs existed.<sup>2</sup>

Mining families had to choose between unskilled jobs in the North or inadequate welfare in Appalachia.

By the early Sixties, the broad outlines of a new working class strategy began to take shape in the mining communities in the form of independent action against both the operators and the union. The first opportunity for this had been the national union's call in 1959 for a strike against operators who were not abiding by the National Bituminous Coal Wage Agreement (by then amended several times.) To its evident dismay, the national leadership was to discover that the strikers of 1959 were not the strikers of 1950. Even in their violence those previous strikers had been ultimately controllable. In 1959, all hell broke loose. By the time the strike was over, the strikers had destroyed millions of dollars of property, killed several scabs, and by their actions brought multiple damage suits against the union. Growing insubordination resulted when the national union 'agreed' to allow numerous mines to go nonunion by either simple inaction or by actually withdrawing local certification. The

workers' revival of the roving picket was a dramatic indication of the collapse of union management of the struggle. Other worker strategies included refusal to migrate, refusal to vote more taxes for community services, and most of all refusal to work. These, together with the demand for direct cash subsidies, provide the essential background to the new capitalist initiative represented by the war on poverty. Here is 'state intervention' upon an entirely new basis.

### III

The new capitalist strategy which initiated phase two was called the War on Poverty, and the social planning it represented was first of all an attempt to reduce militant class struggle to manageable proportions. Capital's task was to take a movement which threatened the effectiveness of collective bargaining, and which had already demonstrated the inadequacy of union-managed wage struggle and union-managed community services, and shape it to its own purpose. This attempt involved a poverty program strategy of community organization which amounted to an attempt at community unionization in the sense that its purpose was to force *all* sections of the working class to come together into Community Action Programs (CAPs) to bargain for a social wage. The CAPs, like the legalized labor unions which emerged from the Thirties were to become the fundamental bargaining units of the community.

By forcing all segments of the community to bargain for a social wage, the poverty programs brought many previously unwaged sections of the community into an explicitly waged relationship. The methods by which this was accomplished were numerous. Manpower programs tied the wage to a willingness to be 'retrained' to a 'useful' skill. Matching Federal funds tied many aspects of the social wage (such as education and health care) to a willingness to vote for some kind of local tax. Much of the available funding was tied to road building, loans to local businesses, and construction of public facilities. That is, receipt of those funds was tied to a willingness to submit to capitalist development.

As the poverty programs picked up steam, the CAPs and their community organizers began to develop their full potential as managers of social pressure. Numerous 'self-help' programs (retraining projects, handicraft production, and so forth) 'creatively' channeled community energies into acceptable outlets. Daniel P. Moynihan, then Assistant Secretary of Labor, best characterized their function:

... the primary function of community welfare programs is to provide surrogate family services. The logic of this relationship has taken us well beyond the original provision of food, clothing, and money, to



far more complex matters of *providing proper attitudes toward work*, reasonable expectations of success and so forth.<sup>3</sup>

The CAPs, designed to function through the 'maximum feasible participation of the residents of the areas' were intended to be the means through which residents of the areas systematically traded stability for an increased social wage. But what in fact happened was that the CAPs and similar programs subsidized the social struggle. Their mixing of waged and unwaged in various community development projects provided a new terrain in which the unwaged could use the newly available social wage (day-care, community kitchens, health care, 'drop-in' centers, etc.) to free them from unwaged labor. The mine worker began to use aspects of the social wage (such as food stamps) to better reject the constrictions of work. And it is precisely this connection of welfare struggles and mine struggles which was to provide one of the material bases of the third phase of struggle.

The political unification of the struggles of the waged and unwaged in their demands for more money and less work laid the basis for the erosion of productivity that has characterized the last decade of struggle in the coal fields. A frustrated social worker described the breakdown in these terms:

They are crafty when it comes to receiving an income without working. An unemployed miner will inquire about which mines are operating and which are hiring when fulfilling the requirements to qualify for unemployment compensation. He astutely applies at the mine that is on limited shift operation and that has a complete complement of men. Upon being told that no jobs are available, he asks the foreman to sign his slip indicating that he has sought work and been refused. When channeled through the proper agency, this "proof" enables him to continue "rockin'" for another month. Through repetition of this procedure he is able to draw unemployment compensation until he has received maximum allowance. When he is sincere about working, benefits are computed in cash. A paid vacation, year-round employment, and a job with a definite future are neither desired nor attractive fringe benefits<sup>4</sup>

As the link between wages and productivity was being severed, the union's authority began to disappear within the traditional wage struggle of the miners. When the union's unwillingness to extend its activities beyond its basic relationship with the operators became evident with the 1964 contract (Boyle's first), miners spread a wave of wildcat strikes across the coal fields. Roving pickets closed mines and some 10,000 miners took a week's vacation from the pits. This protest strike marked the real beginning of the open rebellion against the

operators which could be called the wildcat movement.

One hundred forty five 'work stoppages' erupted in 1965. Most of them were wildcats against bad working conditions, deepening poverty and lousy pensions. In August some 3000 miners walked off the job protesting the firing of one of their number. Union officials were unable to get them back to work. In September, separate walk-outs in Pennsylvania developed into a wildcat which spanned three states, freed 10,000 workers and shut down 15% of the nation's coal production for a month. As roving pickets threatened to close more mines, Boyle was able to take the steam out of the strike by promising to get the workers who had been fired reinstated — which he never actually attempted to do. His false promise was never forgotten.

The following year 50,000 miners walked off the job during contract talks when the BCOA attempted to dismiss Boyle's inadequate contract demands as 'too expensive.' In 1967 60,000 miners took an unofficial holiday protesting conditions in five states. Even Boyle's personal appearance could not get them back to work. Later, 10,000 Pennsylvania miners walked out in support of a group trying to organize two mines owned by the Solar Fuel Company. In less than a month, 70,000 miners followed them out of the pits.

\* In March at Oneida, Tennessee, the headquarters of the Southern Labor Union was dynamited. Later, in 1960, 10,000 miners ignored another Boyle 'promise' to avert a strike during negotiations and walked out a week before the expiration of the contract. Ten days later 80,000 miners declared they would stay out until the 'details' of the tentative agreement were worked out. One of the clauses of the final version of that contract provided a \$120.00 Christmas bonus to any miner who had not participated in a wildcat strike during the year.

As the wildcats undermined the traditional authority of the union another aspect of the conjunction of welfare and mine struggles appeared in the demand for the subsidized treatment and elimination, along with compensation for, Black Lung disease. The West Virginia Black Lung Association, whose statewide propaganda effort and legislative lobby provoked a massive wildcat and forced a barely adequate bill through the state legislature accomplished in these successes two far more important things. First, it shifted the focus of struggle from the job site and community to the state. Secondly it successfully combined a demand for an expansion of the social wage (Black Lung benefits) with an effort to influence job site conditions which bypassed the union.

Not only was the Black Lung Movement an organizational expression of autonomy from the union, it was also a demonstration that Boyle

could be openly resisted. In 1969 the strength of Jock Yablonski's challenge to Boyle arose in part out of Boyle's inability to control the rank and file and the resulting decision on the part of the operators not to place anything in the way of his campaign drive. That Yablonski's campaign was a real reflection of the power of the struggle is indicated by the successful formation after his death by factions which had supported his candidacy of an opposition caucus within the union. This caucus, the Miners for Democracy, was sufficiently grounded in the previous cycle of struggles to offer a plausible option to the 'anarchy' of the wildcat movement. It promised that the UMW could again become a 'fighting' union firmly within the control of the rank and file.

Thus the crisis in the U.S. coal industry took several forms, only one of which is indicated by the crisis of the union. In the late Sixties, early Seventies, the welfare roles and unemployment statistics rose sharply without affecting the decline in productivity. The miners' attack on productivity is most dramatically shown by the halving of the death rate at a time of increasing levels of employment: over 1972/73 it fell from 300 to 150 miners killed. To the community organizers of the JFK/LBJ mold, the crisis was summed up by an attitude toward work:

Because work's only purpose is earning a living, the mountaineer when unemployed has a different attitude toward unemployment insurance from the one middle class leaders envisioned when they set up such payments in the law. ... The mountaineer, ..., sees this insurance as a legal substitute for work for the entire period that it comes to him.<sup>5</sup>

Thus the reserve army of the unemployed was ceasing to be the threat that could guarantee acceptable levels of accumulation and productivity.

#### IV.

Miners struggles in the Sixties should not be understood simply as a struggle against the mediation of the union to which the MFD 'reform' was an appropriate answer. In fact, the struggle persisted and deepened with the success of the MFD. The content of the struggle bypassed the 'reform' movement and left it to fight skirmishes on incidental terrain. The wildcat movement, the productivity decline, and absenteeism were responses to the new bases of capital's power. The only appropriate setting for this struggle is the expanded and integrated circuit of energy capital that by the end of the Sixties included the international energy network. OPEC, Alaska, Montana, and the Dakotas, as well as the Duke Power Company. Within the context of this circuit the 'rationalization' of the industry during the Sixties and the formation of an

international energy policy were, as such, responses to working class power.

In the mid-Sixties the position of coal in U.S. Industry was transformed from a group of cooperating companies to a division of the growing energy industry.

But before the early Sixties such a reorganization and rationalization of energy production and distribution would not have been possible. Before then there was no unified energy industry. Thus any rationalization into an energy industry was premised on the ordering of the affairs of the coal industry. The union/industry alliance was able to accomplish this by: 1) rationalizing the means of dealing with labor by implementing a national contract — a single means of establishing relations with the working class in coal, and 2) development of a national centralized marketing apparatus — the means by which consumption patterns could be easily realigned.

During the Sixties most of the large coal companies were either acquired by oil companies or 'captured' by industries with an immediate need for coal (steel, railroads, utilities, etc.). Between 1962 and 1969 the share of production controlled by independent coal companies fell from 32% to 10%.<sup>6</sup> By 1969 thirteen companies controlled 52% of total U.S. coal production. The largest of these were able to dominate the marketing and pricing policies of the others. With market control and growing centralization it is probable that the thirteen largest companies controlled about two thirds of coal sales on the commercial market.<sup>7</sup> Seven of these had already diversified into coal, natural gas, shale and tar sands. Most of the others had already been significantly penetrated by oil and gas interests.

However, the simple vertical integration of the coal companies (the 'captive' mines) with steel, etc. is not the 'rationalization' of the Sixties. To speak, on the other hand, of horizontal integration (coal, gas, oil) can be equally misleading unless it is understood as lending fundamentally new international flexibility and velocity to the circuit of energy capital. Through it "social planning" of transport, fertilizers, steel and energy is made possible. This power of planning is nothing less than a new effort to establish a basis of command over the working class as a whole.

Beginning in the early Sixties, the American centralization of coal companies must be seen as a national aspect of an international process, the leading catalyst of which is the U.S. government. U.S. coal reserves are increasingly under the control of the government. Federal leased coal acreage quadrupled between 1960 and 1970 with the top ten lessors controlling 60% of the acreage. At the same time the percentage of

leased Federal coal lands under production fell during the period from 13.7% to 2.4%<sup>8</sup>.

Perhaps as important as Federal leasing policies in the reshaping of American energy policy was the passage of federal anti-pollution and environmental legislation. While this is not the place to provide an adequate analysis of this legislation or the movement out of which it came, there are two points to be stressed. First, and in part, it represented an attempt to socialize the militance of the coal operators. Throughout the Sixties the operators attempted to reestablish control over the working class by revolutionizing production by means of speed-up in deep mines and the mechanization of strip mining. But this technological offense faced the immediate danger of open warfare against fixed capital.

In August 1968, \$800,000 worth of machinery was blown up in Bell County Kentucky. One evening in December, four months later, just across the border in Campbell County Tennessee local saboteurs dynamited nearly one million dollars in machinery belonging to the Blue Diamond Coal Company, including a diesel shovel, a railroad car, two large drills, and several trucks and bulldozers. Sabotage on a smaller scale occurs frequently; steamshovels worth between \$50,000 and \$90,000 are often found demolished. Armor piercing bullets have been fired at working bulldozers during the day and gun battles with company guards are not unknown at night.<sup>9</sup>

In the face of a possible expansion of this violence, the technological offensive had to be coordinated via the state as a part of regional planning. The selective restraints imposed in the name of environmental legislation became one form of accomplishing this.

Second, anti-pollution legislation aimed against the mining of high sulphur coal, stimulated the operators to move West—an area where the UMW had had little organizing success. The western reserves which were low in sulphur content had the added advantage that they did not have to be mined by a working class experienced in the wildcat movement of the Sixties.

The magnitude and scope of capital's counter-attack in the Sixties entails the most diverse elements: anti-pollution legislation, the rationalization of the industry through multinational financial enterprises, the development of energy as a pole of command over the entire working class, and finally the geographical 'reorientation' of production and its international integration.

Only within this context can either the inadequacy of the reform movement or the 1974 contract be understood.

## V.

By 1970, the state, through the Labor Department, the Senate, and the Federal courts began active intervention against the old union and the Miners for Democracy mounted a massive and successful organizing effort in most union districts. The disruption of production and the still increasing number of work stoppages (which in fact underestimated the man days idle and the value of lost production) could now be seen as a part of the union reform movement. This appearance, though very short lived, required that the Federal government grant substantial concessions to the MFD as it seemed to be making headway in the transformation of the 'anarchic' situation into stable though costly labor relations.

The May 1972 MFD convention nominated Arnold Miller, Harry Patrick, and Mike Trbovich to run for top union office. The convention also committed the MFD to the demands of the wildcat movement. These were: 1) the local right to strike, 2) the separation of income from productivity, 3) miner-enforced safety regulations, and 4) district autonomy. The slate and platform represented the first rank and file action in an international union election in over fifty years. On these bases the Boyle machine was swept out of office. Immediately Boyle sympathizers were purged from the national office. Pension and hospital benefits were increased. The union took the lead in the enforcement of safety regulations in the mines.

Perhaps the most dramatic action by the new leadership was the decision to support the reunification of the Brookside mine in 'Bloody Harlan County' Kentucky. But the Brookside strike of 1973 was more than a simple revival of a depression-style organizing drive. The violence and publicity surrounding the strike would have appeared as an orchestrated revival on traditional terrain of struggle had it not given sanction to the generalized wage struggle which had begun in the Sixties. The unwaged and miners alike wanted safety committees and hospitalization benefits, they also demanded their own homes, recreational facilities, plumbing and bathtubs.

At the Pittsburgh convention in December 1973 rank and file delegates rewrote the union constitution and outlined the collective bargaining demands for the 1974 contract. Loudly rejecting pleas for a no-strike clause, the miners made several important demands clear. First, no contractual abridgement of the right to strike would be tolerated. Second, all safety rules must be rigorously enforced. Third, by combining demands for paid vacation, sick leave, a cut of two hours from the working day, a substantial increase in the wage rate, and a cost of living allowance, as well as by voicing their resentment of the tie of the

pension fund to productivity, the mine workers sought to further sever their wage rates from productivity.

From the point of view of actual struggle during this period, the demands expressed at Pittsburgh were a pale reflection of the developing movement. In the Spring of 1974 mine workers in southern West Virginia formed the Miners' Committee to Defend the Right to Strike. This, with similar formations elsewhere, forced the Union to include the right to strike over local issues in the 1974 contract demands. The number of work stoppages in Bituminous coal mines during that year approached two thousand — double the number in 1973 and nearly ten times the average number of the first half of the Sixties.

Two elements of the 1974 wildcats must be stressed. First, in the wake of the Yom Kippur war and the 'energy crisis' they presented demands for the price roll back of gasoline. The miners leveled this demand against the state — a principle planner of the energy circuit. Thus it is a movement that recognized that capital now seeks to control the relationship between the community and the pit by the political manipulation of basic commodities. Secondly, these wildcats intersected with the independent truckers strike and, to a lesser extent, with the collapse of union authority in the auto strikes of that year. In both the expansion of struggle and in its new content there is a clear recognition on the part of the miners of the new basis of capitalist planning. The UMW and for that matter any organization which seeks to organize the working class simply on the basis of its nominal wages can have no role in a struggle about the *real* determinants of the wage.

Throughout 1974 Miller attempted to brand the right to strike movement as a local concern of southern West Virginia and the gasoline price roll-back movement as no concern to the union at all. By August *Business Week* could speak of Miller as:

.... no longer indulging in the tough talk of a six month strike as he did last December in his first UMW convention. ... Miller and the operators are also talking seriously about modernizing a union-management relationship that is probably the worst in industry. ...

At a series of district conferences, top members took great pains to try and 'reduce the members' expectations to realistic levels.<sup>10</sup>

The real significance of the 1974 national negotiations and the contract that resulted from them resides neither in the "betrayal" of the demands of the Pittsburgh convention nor in a personal 'sell-out' by Miller. The contract was designed to get the miners back to work and to remove the basis of the wildcat movement.

From this perspective the politicking of the negotiations — the rejection of the first draft contract, the 'testing' and 'hardening' of

Miller's personal position, the 'timely' intervention of 'informal' federal personal — are of no importance in comparison to the content of the settlement. One of the first demands to be eliminated was the right to strike over local issues — a hedge against court injunctions and restraining orders. One local was fined \$30,000 for striking over a life and death safety issue. All safety issues were to be arbitrated. To be sure, the contract did 'allow' individual miners to withdraw from an unsafe area, but this was a right already guaranteed by federal law. The procedure is such that if arbitration finds against the individual miner he is then subject to disciplinary action including discharge. The power of the company to fire a sick miner as a potential hazard is expanded under the new contract. Accidents and illnesses are under-reported as a result. Benefits on vacation, pensions and retirements are graduated according to seniority, amounting, in a pattern familiar in the auto industry, to a form of blackmail tying the worker to a lifetime in the mines. The rights of the Health and Safety committees were curtailed. They could no longer make unannounced spot inspections. Time limits were imposed on the initiation of grievances. The powers of the committeemen were restricted. The number and articulation of special pay categories were increased. The six hour, four shift day, and the demand for pay during safety shut-downs were lost in the general rhetoric that this was, in Millers' words, "the best contract negotiated in the history of the labor movement."

Fifty-six percent of the miners voting, but a minority of the miners eligible to vote, ratified the contract. Those who voted against the contract consisted largely of the militant base that had proved the MFD with its initial driving force. The strike over the contract should be seen as a continuation of the wildcat movement in that it provided an industry-wide reference point for the elimination of differences among miners and working class communities. Indeed, the month immediately after the contract was signed saw the worst series of wilcats in the entire year.

## VI.

In the first seven months of 1975 the rate of wildcatting is on the increase. Intensification of struggle in the mines and mining communities has grown out of the interlocking of those struggles. And the problems of each have become the struggles of both. The importance of this for the quality of struggle in the mines was lamented by one coal company official: "They're striking over anything. They'll strike if they don't like the local sheriff. How can normal labor-management relations deal with that?" Wildcats triggered by mine "labor" issues are



beginning to bring broader community issues into the picture. Increasing miner participation in Mountain Community Unions and Welfare Rights Organizations is bringing a greater intensity to struggle there. Community dependence on the mines is lessened with the broadening of that struggle.

Proposals for the long term solution to labor unrest is beginning to move out of the area of simple 'labor-management relations' and toward the direct appeasement of increased income and 'profit-sharing.' Writing in 1974, Ford foundation energy researcher David Freeman proposes:

There are two environmentally satisfactory ways of enlarging coal production. One approach is to achieve increased production from existing deep- and strip-mine operations. To do that we must solve the problems which are creating 4½ day work week in the coal industry. Unless management adopts a more safety conscious and profit-sharing attitude, we face a deepening crisis in coal production. With the price coal now commands, the mines can be made safe and labor can be given more generous salaries and fringe benefits. Given labor peace in the industry, coal production can be increased some 20% over 1973 production without opening more mines.<sup>11</sup>

What does the expansion of the circuit of energy capital mean from the point of view of the working class? It is a direct response to a cycle of struggle which has outflanked the traditional institution of the management of the struggle — the union. Rumors spread about fast bucks on the Alaska pipe line and mine job notices tacked up on bulletin boards in Detroit show how the expanded circuit is attempting to manipulate labor markets not through the traditional local pools of the reserve army of the unemployed but directly from one productive circuit to another. Along with this, capital is attempting to reimpose its command over the working class in coal by operating 'behind their backs' by attacking them through the sphere of circulation. The institutions through which capital seeks to manage the struggle now shift to include the refrigerator, the school, and above all, the filling station.

The attempts to expand the competition for jobs by stimulating migrations *back* from the North has only served to draw many Appalachian families back to a more familiar terrain and to simply expand geographically the militance of former autoworkers. The attack on income through the sphere of circulation (inflation) is increasingly understood by miners as attempts to reduce their power by means of high mortgage rates, greater taxes (educational bonds), and soaring TVA electrical bills.

Capital's failure to establish effective control by these methods has meant the collapse of the contract less than a year after its ratification August 1975, 80,000 miners walked off the job demanding the right to strike. The failure of the union and the operators to set up any effective working grievance procedure revived the demand for a local right to strike. The Miller administration's role in that failure along with its continuing efforts to separate "labor" from "community" issues placed it squarely against the wildcatters. When the Miller administration tried to get the miners back to work they were greeted with catcalls, "Miller is a Scab." The Union's tactics in attempting to divide the strikers and its apparent support of government threats of intervention signal the final failure of the initiative to break working class autonomy by the "reform" of the union.

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## Throwing Away The Ladder: The Universities In The Crisis

George Caffentzis

Strikes, sit-ins, mass demonstrations? The stuff of the Sixties have appeared on the campuses of the U.S. in the last year. But as the media have pointed out, there is a "hardheaded" economic character to these actions. No more psychodelic guerrillas dropping pig's blood on the college president. In its place we have "student worker strikes" in Athens, Ohio; a sit-in to protest tuition increases in Cornell; the first statewide college teacher's strike in N.J.; strikes and demonstrations protesting the cutting of student funds and teacher firings in New York City University of N.Y. The "political" demands of the late Sixties: end university complicity with the draft and war-research, end grading and "free speech" restrictions, institutions of "alternative" courses, open admissions to all students ("end stratification") have turned to the "economic" demands of the middle 70's: no tuition increases, no productivity deals, no firings, wages for schoolwork. From day-glo politics to grey economics all in the space of four years?

Surely we can not be satisfied with such a description of the student and faculty movements on the university campuses of the States; there are undoubtedly differences between 1965 and 1975 but they cannot be compartmentalized into a politics/economics distinction because such a distinction invariably mystifies any analysis of class struggle in capitalist society. In this society economic relations are power relations, and so political. "All this might be right for capitalism in general", some might say, "but there is no class struggle in the universities; university movements might *reflect* and *support* working class struggle, but. . ." Behind such an objection is the lingering distinction between economic base and ideological superstructure. Of course, the university falls on the ideology side and so it appears to be external to the basic dynamic of class struggle in capitalist society. This is not the place to discuss all that goes by the name of "ideology" but something must be said about it since the distinction between economics and ideology can severely limit

political action with respect to the university. *The Left frequently identifies the economic base with the sphere of waged labor while it reserves the category of ideology for unwaged labor.* In terms of revolutionary organization this comes down to taking the waged part of the working class as primary and effective while taking the unwaged part as secondary and, at best, supportive. But these identifications only accept the capitalist division of the working class and recapitulates the basic illusion (or ideology) of the wage!!! The wage is the most illusory relation between capital and the working class since it hides unwaged labor, i.e., the part of the working day that capital appropriates without exchange. Surely the Left has emphasized the part of the working day unwaged *inside* the factory, but it has consistently been blind to the unwaged labor *outside* it<sup>2</sup>. In fact, it is exactly during the period when capital has increasingly been dependent upon appropriating unwaged labor outside the factory that the Left has not challenged capital's power, but has indeed collaborated with it.

In the University two forms of unwaged labor for capital is appropriated:

1. the development of new "forces of production" through scientific research and what Marx called "the power of knowledge objectified";
- 2) the reproduction of labor power and so reproduction of the hierarchy of labor powers of different qualities (selection, division and stratification).

Thus capital appropriates science and education as a costless part of the cycle of its own reproduction. U.S. capital, befitting its advanced status, recognized the importance of these kinds of labor from a very early date. Thus, land grant colleges in the early nineteenth century were set up to promote agricultural research, while in the commercial and transportation center of New York City a "free" university was set up for the explicit purpose of training clerical workers and others for the local labor market in 1847. So from the nineteenth century capital recognized that the university was not merely a feudal throwback or an ideology mill.

In this article I want to sketch out the development of class struggle in American universities since 1960. I will divide it up into four parts with rough chronological limits: the Kennedy human capital strategy (1960-1965); the refusal of development (1965-1970); the "fiscal" counterat-

tack (1970-1975); the wage struggle and the Left (1975).

### **1960-1965: The Human Capital Strategy**

Immediately after World War II, as part of the general disarming of the working class and the "reconversion" of the economy, the G.I. bill's education allotments brought about an increase in Federal funds into the universities. With this money came a "new type" of student given an explicit wage for school work as training for a new post-war labor market. But this experiment in manpower planning proved temporary, and so throughout the Fifties Federal funding for the universities stagnated at about one billion dollars a year. In the decade of the Sixties there was a flood of investment by the state from one billion in 1960 to about seven billion in 1970. Why? This shift in the State investment arose in the early Kennedy years and centered around the two basic issues of the 1950's as expressed by politicians and economists of capital: growth and unemployment. Through recession cycles of the 50's there were ominous fears of stagnation due to the low rates of accumulation of domestic capital. Further, as the decade closed the unemployment rate rose gradually but steadily, especially for categories of workers that had been displaced by various forms of mechanization, most notable among them were the southern agricultural workers and miners in Appalachia. If all was going as usual for capital these "displaced" workers should have drifted into the cities and formed a fresh pool of labor power for the urban factories by lowering wages through intensified job competition as in the primitive accumulation sequence. But the usual sequence did not unfold, due to complimentary aspects of working class power. On the one side, the unionization of the dynamic industrial sectors made it difficult to employ the classical labor market competition to lower wages and increase controllability; on the other, the "surplus" workers were beginning to organize demands for income from the state, e.g., the welfare struggles. In order to describe this development in the class struggle, capitalist economists referred to this part of the working class as structurally unemployed, i.e., workers who would not fit into the "labor market" whatever the level of aggregate investment and consequently would not be transformed into labor power even in times of boom. The existence of the reserve army of the unemployed was always a fulcrum for capitalist accumulation but structural unemployment seemed to form a new and somewhat "mysterious" rigidity in the labor market eluding capital's planning. Since much of this structural unemployment was strategically concentrated in the cities by the end of the Fifties and the early Sixties there was obvious danger or, in other words,

an "urban crisis".

What did the university have to do with the problems of growth and unemployment? The connecting link in capital's strategy was the notion of human capital. First, it was argued by the economists of the "New Frontier" that the fundamental sources of GNP growth were not the increase in population nor the investment in "physical" capital but technical changes spurred by research and development efforts (especially during the world wars) and even more importantly by the increasing education and training of the "labor force". Thus in Dennis-on's influential work, titled appropriately, *THE SOURCE OF ECONOMIC GROWTH IN THE U.S. AND THE ALTERNATIVES BEFORE US*, there are a number of specious but at the time widely touted statistical arguments that purported to show that 40% of the growth rate between 1929-1956 could be attributed to the greater education of workers. Although there was the usual scholarly caution and qualification, the general consensus of the Kennedy strategists was: if increased "growth", hence increased rates of profit and exploitation, were the order of the day, then increased investment in university both for general R&D work and the training of the working class on a mass scale must be instituted. Second, there was the question of the structurally unemployed. Here the answer lay, presumably, in the lack of fit between skilllessness or the obsolescence of the skills of those who have been "made" unemployed by increasing mechanization with the skills required by the labor market especially given the shift away from agricultural and manufacturing to service industry employment. Thus from the capitalist perspective what was required was a retraining and even more importantly a general upgrading of the "work force" to prevent massive structural unemployment in the future. In a rather late study of the matter (1965), Killingsworth concludes:

... automation and the changing pattern of consumer wants [i.e., increased demand for "services", G.C.] have greatly increased the importance of investment in human beings as a factor in economic growth. More investment in plant and equipment without very large increases in our investment in human beings seems certain to enlarge the surplus of underdeveloped manpower needed to design, install and man modern production facilities.<sup>2</sup>

"Investment in human beings," "manpower planning" and so "human capital"—a telling phrase—is indeed the capitalist version of Marx's even more telling one: variable capital, for what is crucial is not the humanity of the capital (a rather sentimental leftover) but its ability to increase, to a variable quantity, value. It constitutes the capitalist recognition that merely planning the level of constant capital does not

automatically lead to appropriate changes in the composition of the working class. The working class does not merely follow along with the level and kind of investment, as in the Keynesian supposition, but must also be explicitly planned. And so investment in the university system got pushed through Congress as part of a more general strategy to deal with this new aspect of class struggle. Thus in class terms investment in human capital arose when capital had to begin to take into account in an explicit way the whole social circuit of capitalist society in which labor power is produced, qualified and reproduced. In this attempt to plan social capital in both its constant and variable parts, the previously "non-productive" relations and institutions of capitalist society had to be recognized as productive. The Keynesian integration of the labor unions in the process of production was only a part of a larger integration of the whole reproductive cycle of labor power which could no longer be left to chance, the "automatic" market forces, or ideology. Consequently, the previously "costless" (for capital) and "wageless" (for the working class) work began to change its status for social capital.

But if the working class was to be restructured upon a higher gradation through the quantitative expansion of the university system, what was to serve as the necessary source of division of the class? And here the already given stratification and division of the university seemed to naturally fit in. Though the policy of investment seems now rather crude since it involved in many cases rather large block grants to universities with a gross correlation between investments and "output", it was undoubtedly assumed that the universities' setup of grading, testing, tracking, and discarding could do the job of selection into various skill and occupational hierarchies for the labor market. The teacher's traditional powers of gradation of labor discipline (the "standards") and the student's competition for positions on the given stratification leading naturally into the labor market seemed to many to be a quasi-natural consequence of the universities existence. Thus, though the university was transformed in this period from a university to a multiversity, its structure was to both massify and divide working class youth on its way to a new labor market (student population tripled from two million to six million in the public universities between 1960 and 1970).

### **1965-1970: The Refusal of Development**

It was exactly this ability to collect, divide and select for the labor market that failed the university structures from 1965 through 1970. The general content of the present class struggle (refusal of work) instead of

being conquered by the growth of human capital was transferred to the campuses. Semester after semester, from Berkeley to Kent State, the university structure that was to organize and integrate the "new working class" met a decisive refusal of development which, ironically enough, used the money from the very investment funds meant to turn students into human capital against this plan of development. The financial officers who were to dole out money for schoolwork got grass blown in their faces. The professors who were to guide and discipline the "talented" were forced into rap groups or ignored. The most evident defeat of the universities' ability to stratify the student population was in the use of massive tests and grade averages that would make some students eligible for the draft if they ended on the lower end of the continuum. This occurred in the spring of 1966 and rather bluntly identified the university administration with the draft apparatus. Clearly, *if* the move had proved successful the student movement would have been torn apart in the intense competition to stay out of the war. But it proved to be the State's biggest blunder, for it made the whole system of grading an object of refusal in a way that the previously ideological attacks never could. Once the "F" began to mean death in the jungle no crap about the "community of scholars" was needed to attack the grading process. Once grading showed its immediate quality as a wage in the social factory sequence of school-army-job, the struggle against it became nation-wide. Instead of the underground diffusion of discussion after Berkeley, the initial sit-in at the University of Chicago against the complicity of the university with the draft officials was followed quickly in a dozen other universities, and in the fall dozens of others continued with sit-ins, strikes and riots. Within the year the Johnson administration had to back off, but only after a national transformation of the student movement into something like an organizational network. Most emphatically for capital it became clear that the university structure had failed decisively its first large scale test in the "organization of manpower". Indeed, it is during the late Sixties that not only do we get the intensive sociological investigation of the "activists" with the appropriate harebrain psychological scatology, but we also get an almost frenetic search for "alternative structures" for the university by the large foundations and government agencies.

This hyperactivity on capital's part was quite justified, for what was supposed to have been one of the main stimulators of accumulation had proved completely unmanageable by 1970. Statistical surveys of the "crisis in the universities" showed widespread action not only against the school/army link, but also on working conditions within the universities (e.g., cafeteria food, sexual restrictions, housing demands, decreased



work loads) and attacks on the racial division accomplished through restricted admissions and funding policies. Further, the organizational form of the student movement proved to be both effective and mysterious for it didn't have the structure of a party or a union. Any pretention that an organization like the National Student Association could bargain with the State or individual universities was wrecked with the CIA collaboration revelations, while SDS, for all the moonshine about participatory democracy, seemed at times to have at most an honorific connection with the individual struggles ("Anytime anybody would do anything we would say it was SDS"). Indeed, in 1969 and 1970 when SDS had fallen apart the student movement began an even more explicit link up with other parts of the working class struggle in the ghettos, the army, and the prisons. So the student strike of May 1970 signalled not only the failure of the university structure as a generator of human capital but its complete breakdown in the face of an increasingly coordinated movement. It was not a matter of some previously known weak spots; on the contrary, it was significant that the strike seemed to be everywhere:

More than half the colleges and universities in the country (1350) were ultimately touched by protest demonstrations, involving nearly 60% of the student population—some 4,350,000 people—in every kind of institution in every state of the Union. Violent demonstrations occurred on at least 73 campuses (that was only 4% of all institutions but included roughly a third of the country's largest) and at 26 schools the demonstrations were serious, prolonged, marked by brutal clashes between students and police with tear gas, broken windows, fires, clubbings, injuries, and multiple arrests. Altogether more than 1800 people were arrested between May 1 and May 15.<sup>3</sup>

The slaughter of students at Kent State and Jackson State showed to what extent the struggle had become generalized, for these schools had not been centers of struggle before. The grade structure collapsed everywhere, and it appeared that the only way that the university could continue was with the armed intervention of the state. Instead of the ultimate promise of a high niche in the job market, it was the gun held by a somewhat unreliable soldier that kept it together that spring. The slaughter continued into the summer in the various "youth ghettos" surrounding the universities, e.g., the killing of Rick Dowdell and Harry Rice in Lawrence, Kansas. By the fall many returned with a wide variety of plans for action and then. . . nothing. With the McGovern campaign of 1972 much of the movement had simply "disappeared" and the much touted "return of the 50's" was the feature everywhere. Why? In order to

understand this we must see the nature of the organization of the student movement in the period of the refusal of development and then capital's response to it.

The fundamental limitation of the student movement proved to be its inability to put forward the question of *income* in its most general form; the inability to link up with the explicit wage struggle in the other parts of the circuit. True, there were many struggles that proved quite successful, e.g., the attack on grading has led to a general "grade inflation" persistent to this day, the attacks on authoritarianism and bureaucracy led to a visible lessening in the length and intensity of the working day in schools, working conditions improved, certain forms of hierarchical division abolished, etc. But these struggles dealt with the wage relation in a partial and still hidden way, and by doing so eased the way for the restructuring of the university. To see this limitation more clearly consider as a point of reference the development of SDS between the Port Huron Statement in 1962 and its final national convention in 1969. In its beginning and in its end SDS saw the status of student as politically tangential; the student was always in search of workers, either to lead or to follow. Indeed, SDS appears as a youth group for a non-existent socialist party in its beginning. The early community organizing in Newark, the civil rights activities are all of a piece with the beginning of the Kennedy-Johnson emphasis upon human capital development. However, the early SDS activists could only see the universities as a center for the recruitment of a cadre of organizers and helpers of the "oppressed". At its end, debates devolve into the questions: who is the working class and where is its revolution? One side answered as children of Baran and Sweezy: in the third world. The other side answered: in the sphere of direct production. The logic of both sides lead past the university and *out*: one to the underground the other to the factory with well-known consequences. What was never seen was that the struggle against capital was right where they stood. Indeed, even during the period when the name of SDS was being used as a nickname for a student movement in its struggles on the campus, the leadership was quite hesitant to explicitly take up the demands. Thus the anti-ranking protests were begun by local elements moving independently, and were only reluctantly supported by the national SDS. But clearly it could only be by taking the effective place in the capitalist division of labor as the point of refusal that powerful struggle could be launched. And further, it could only be by taking the relation between income and work as explicit that capital's plans for restructuring could be dealt with. But what was on the agenda was not taken up, and so the movement that helped destroy the Kennedy human capital strategy could not deal with

the capitalist response.

### **1970-1975: Fiscal Crisis & The Ladder**

The capitalist response to the refusal of development of human capital was not a change in tactics but a major strategic shift from concerns of "growth and unemployment" to the imperative of reestablishing control of the working class through a more direct imposition of work. The Nixon administration clearly recognized one fundamental flaw in the previous investment policy: making a too gross correlation between overall investment and output, by the reliance upon a university structure that could not mediate student struggle. Echos of this shift were found in the writings of a number of economists that argued that the earlier statistical work of Denison was radically off, and that "education and R&D" could not account for a large percentage of GNP; while the recession of 1970 began to indicate that the new college graduates were themselves structurally unemployed! The scene had shifted with the bodies of the dead students just beginning to decompose.

But with the end of the route of development a new strategy had to be devised. Its first step was the "fiscal" crisis of the universities. The inability to balance the books does not indicate bad arithmetic but inability to deal with the class struggle. The financially endangered universities of 1970 and 1971 were the weak links in the previous development strategy. Nobody tried to hide this obvious fact. For example, in Earl Fl. Cheit's *THE NEW DEPRESSION IN HIGHER EDUCATION*, the political and the economic became identified. In 1971 he studied 41 colleges and universities and grouped them into those that "were not in financial trouble" those that "were headed for trouble" and those, woe betide them, that "were in financial trouble". Consider the qualities, in rank order, that characterize those institutions not in financial trouble:

1. Less affected by campus disorders
2. Good fit between aspiration and program
3. High community regard for them
4. Smaller student aid expenditures
5. Program defined, growth controlled
6. Lower average faculty compensation
7. Efficiency

The message is clear, those who will survive are those who do not collapse against student attack: quick to call in the police, tight control over the faculty, resistant to wage demands everywhere. Balance the

budget of struggle or else. This, of course, was just a slightly later verification of what was being said by state and federal politicians: "cut appropriations until those kids want to go to school" (as the Chairman of the Michigan State House Appropriations Committee said in the whirlwind of '70). The first must was to clean house and administer the appropriate self-critique to the "gutless administrators" described in detail in the **CAMPUS DISORDERS REPORT**. Undoubtedly the vengeance was sweet; it was obvious enough anyway. But surely things could not be left like that, for it was not just a matter of getting rid of a few weak willed presidents and some campus activists and then return to business as usual. What had to be reintroduced was a wholly new relation between state investment, university structure and labor market with a wider restructuring of capital in the crisis, for the previous relation just could not guarantee control over the reproduction of labor power.

"Fiscal" crisis is not only punitive, like bankruptcy, but also a reshaping activity, where the immediacy of monetary power seems to have the efficacy of a natural force. In this fiscal panic there was a marked shift from state investment coming in the nature of block grants to university building or student aid offices to demanding more "accountability" from individual universities as to their allocation of state funds while putting more restrictions on the use of student aid. At the same time planning decisions were taken out of the hands of individual universities as is befitting a period of massive restructuring. After the "campus disorders", writes Frank Newton for H.E.W.,

The trend toward regulation has been amplified by a general tendency to view agencies of government as having the prime if not sole responsibility for the enforcement of accountability throughout society. There are however two very different strategies for achieving accountability. Strengthening the tendencies toward central control aimed at rationalizing and ordering the system represents one strategy. Strengthening the incentives for self-regulation by making better information available, by increasing the choices available to students among institutions to respond to these choices is another. In part, the determination of these agencies to exercise power more directly stems from their frustration with the interactibility of the problems of higher education and the difficulty of generating a responsiveness to public needs on the part of colleges and universities.

In other words, the old university structure had to go and in its place multi-campus control boards must do the large scale planning but at the same time a fine-grained control of students must be instituted without

reliance on grading, "upholding the standards", etc. These are Mr. Newton's two strategies mixing a fascism for administrators with a socialism for students, the faculty getting a social democratic productivity deal.

Now the reference to "strengthening the incentives for self-regulation" refers to a new relation between the student and the labor market; the gross manpower planning approaches of the Sixties had to be junked due to the general difficulties of accumulation brought on by an international wage struggle. A "revolution in falling expectations" had to be accomplished by capital and so no more could the federal government and the universities "reinforce widespread expectations that there is a direct relationship between the amount of education and the likelihood of upward mobility in status and income," as Mr. Newton writes. Thus all the attempts to figure on the rate-of-return per year of university (how much more money you get paid throughout your life for every year you spend in the university) are now being revised—downward—or are being completely abandoned. This does not mean that universities will be done away with, however; rather the university becomes part of the labor market. The labor market has as its unit the job which has an essential prerequisite a "training ladder" or sequence that leads to it. The university becomes the base of these ladders instead of a place where a general upgrading of labor power is to be accomplished to be thrown out into a constantly shifting but upgraded labor market. Thus the most salient aspects of the "silent 70's" in the universities: the feudalization of the disciplines. In a period of uncertain levels of employment there has been a flocking of students to the areas where we get the greatest concentration of *credentials* required and are most open to a kind of apprenticeship called, ironically enough, "work-study". Discipline over students is not accomplished with the old schoolmasterish ways (grading) but through connecting in a very explicit way work in the university with waged work: the job. The "new vocationalism" is not only to be found in the community colleges but it is also in the higher levels of the system where law, medicine, psychology, business administration, become the dominate departments. The social control jobs are used as social control: control through work if there ever was any!

The problem of planning becomes (now in a very explicit sense) trainability. And the question that is asked everywhere is: how malleable are you? The task of the university is "matching trainable individuals with training ladders" says Mr. Lester C. Thurow.<sup>4</sup> One can now easily see how the shift in the relationship between state investment-university structure-labor market could have defeated the student movement of

the 60's. First, the State disappears from campus since it no more is a requirement in its strategy to guarantee a relationship of students with the army and the labor market. Second, the university structure e.g., grading, becomes increasingly insignificant as a source of control. Third, the new strategy allows for experimentation in working conditions hence we get universities without walls, end of sexual restrictions, and in general increased "self-management". Fourth, while explicit university racism lessens and open admissions policies become more available income turns to be the new divider. Since the student movement did not take the question of income in its most general form—wages for school-work—capital could simultaneously accede to its partial demands while using the imposition of work to silence it. Capital takes the initiative in recognizing school as work and begins to wage it on its own terms.

### 1974: The Wage Struggle

In the last year there has been a beginning of a student response to the shift in strategy. These university protests have had an "economic" character since their main demands have been around the "fiscal" crisis: fight budget cuts, stop tuition increases, defend student aid, etc. These protests have not been sporadic; in the spring of 1975 there was a wave of strikes, sit-ins, and demonstrations with similar demands and some coordination in the Northeast.

Not accidentally various Leftist groups have recently put out pamphlets on the universities. They spell out a political perspective tying struggle in the university with the Left's general strategy for the crisis: defend the working class against capital's crisis-induced attacks. This perspective, unlike the strategy of SDS in the Sixties, takes the university as an important political base, consequently as something to be *defended*. In essence, the *public* university must be defended from fiscal attacks because the forced entrance of "working class" to "poor" students at the end of the Sixties opened up, for the first time, the possibility of having a highly educated working class. But since education leads to the ability to make more and broader connections in your social situation, education makes you more conscious. So by laying foundations for a more educated working class, the public universities can begin to spawn a more *conscious* working class, a working class that can begin to pay attention to the political task of "building socialism" instead of insisting upon economic demands. If the obstacle to revolution is the lack of working class *consciousness* then, surely, the Pegasus to overcome it is *education*.

Not only does this political perspective provide a defense of the university, it also has an analysis of the new university crisis. Quoting from the CRISIS AT CUNY pamphlet, put out by a collective of "socialist" teachers at the City University of New York, we find the following analysis:

. . . the capitalists cannot go on forever using the educational system to increase productivity and at the same time expect it to perpetuate and ratify existing social arrangements. The more people they educate, and the better they educate them, the harder it becomes to maintain the class, racial, and sexual inequalities that are the basis of capitalist society. Educated workers are often dangerous workers, because they learn more than they are supposed to . . . educated people had a tendency to begin asking sharper questions and demanding better answers. And better lives . . . Too many people are getting too much education, says the ruling class. This accounts for their drive to cut back on enrollment, their desire to institute tuition, and, in fact, the current "crisis" in higher education. The contradiction has gotten out of hand.<sup>5</sup>

Thus education is inherently liberating and the capitalists are in a bind for though they need it "too much education" has been the source of "dissatisfaction" in the working class. Conclusion, they are going to shut down the public universities and send the working class back to the unenlightened mire.

Aside from all this being rather idealistic, it does not start at the primary point. What goes on at the university is work, namely schoolwork. It is work done to prepare to do more work. Its essence is self-discipline both in a specific and a general manner. The specific aspect of being a student is the learning of certain technical skills that can lead to greater productivity in specific jobs that require these skills. The general aspect of being a student, however, is infinitely more important: being self-regulating, self-controlled, etc. For example, what good to capital is an engineer who speaks Chinese and can solve differential equations if he never shows up for work? What is crucial for capital is not merely your ability to be programmed but more important is your ability to be *re-programmed*. So job interviewers don't really care how much one knows specifically but rather all their subtlety is addressed to the question: how malleable are you in adapting to new job requirements, i.e., how well educated are you? Thus the problem of the Sixties for capital was not that "people who could read, could read Marx as well as management manuals", as our socialist friends allege. Rather, what alarmed capital was the effective refusal of schoolwork, the massive rejection of education. There was *too little* education, not too much.

What was educational was the struggle against education!

However, what makes it easy for capital to impose and, *if stopped*, re-impose schoolwork is that it is *unwaged work*. Its unwaged character gives it an appearance of personal choice and its refusal an equally personal even "psychological" symptom. So, ironically, though students consider themselves, at times, the most advanced part of the working class they still belong to the ranks of unwaged workers. This unwaged status has profound consequences for the student movement and the class struggle at this moment. First, because they are unwaged workers students can be cheaply used as workers outside schools and universities to reduce wage levels. Second, by being unwaged Capital can restructure the schools and increase intensity and productivity requirements at little cost; thus ROTC is making a come back on the university campuses because the Armed-Forces are paying \$100 a month for trainees, and this is just a more obvious example of the possibilities of dividing the student movement for a pittance.<sup>6</sup>

The present political problem of the student movement is not that of a student-worker alliance and so of finding a "link" with the working class, simply because students *are* workers. Nor is it that of defending the public university *as* the place for "socialist" education and "unalienated, integrated" work, for the content of the class struggle is the struggle against work for wealth. Rather it must confront the capitalist strategy of control in the university crisis which is predicated on the wagelessness of students. Students can only attack their wageless status through a demand of *wages for schoolwork*. Such an autonomous demand directly counters capital's plans for it can halt capital's use of students against other workers and also make it difficult to divide students against each other. Capital has used wageless school work as a ladder to success, i.e., to successful exploitation, it is time we threw it away.

#### FOOTNOTES

1. This general analysis of the wageless in capitalist society and critique of the Left owes much to the Wages For Housework movement. For seminal comments on the function of schools in the reproduction of labor power see Maria Rosa Dalla Costa and Selma James, **THE POWER OF WOMEN AND THE SUBVERSION OF THE COMMUNITY**, (Falling Wall Press, 1972), pp.23-25, and Selma James, **SEX, RACE AND CLASS**, (Falling Wall Press, 1975).
2. C. C. Killingsworth, "The Effects of Automation on Jobs," in B. R. Cosin, **EDUCATION: STRUCTURE AND SOCIETY**, Penguin Books, 1972, p. 94.
3. Kirkpatrick Sale, **SDS**, Random House, 1973, pp.636-637.
4. Lester C. Thurow, "Measuring the Economic Benefits of Education," in Margaret S. Gordon, **HIGHER EDUCATION AND THE LABOR MARKET**, McGraw-Hill, 1974, p.391. This whole volume, sponsored by the Carnegie Commission on Higher Education, lays the framework for much of the new capitalist planning of the university.



5. **CRISIS AT C.U.N.Y.**, The Newt Davidson Collective, 1974.
6. Many passages in this last section on school work and the critique of the Left are taken from a pamphlet, **WAGES FOR STUDENTS**, written and distributed by militants during student strikes in Massachussets and New York in the spring of 1975.

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**Bruno Ramirez**

With an inflation rate of over 25%, widespread unemployment, and increasing repression, Italy's current economic crisis shows how far capital is willing to push its attack against the living conditions of the working class.

One of the distinct marks of this crisis—in Italy as well as in other capitalist countries—is the extent to which class conflict has widened, involving directly the area of social consumption. The dramatic increase in the cost of living is in fact setting off a wave of struggles dictated by the working class need to protect their wage gains, and to ensure adequate access to essential goods and services such as food, housing, utilities and transportation. It is no coincidence that—particularly in Italy—capital's massive move onto this terrain comes after a long cycle of factory struggles which have yielded considerable gains in wages and working conditions. It shows the coherence of capitalist strategy—a coherence which has been forced to become explicit by the organized resistance of wide sectors of the working class.

The practice of “self-reduction”—i.e. the refusal to comply with price increases of essential services—is the answer that has emerged from this terrain of struggle. The character of this struggle raises important political questions both for capital and the working class. How can this struggle be mediated and brought under control? To what extent does the brunt of this struggle fall primarily on one sector of the working class—i.e. housewives, as the central protagonists in the area of social consumption?

Self-reduction is not an entirely new phenomenon in Italy. For instance, at Magliana, one of Rome's largest working class districts, some 2,000 families have been practicing self-reduction for the past two years, cutting their monthly rent payment by 50%. And this is by no means an isolated case. What is new is the way in which this practice has spread to other sectors of essential social consumption, such as public transit, electricity, and home heating.

When viewed in the context of parallel practices—such as squatting and organized mass appropriation of groceries from supermarkets—this struggle becomes more than merely a defensive one. It becomes—as some militants have called it—a *struggle for the re-appropriation of social wealth produced by the working class but unpaid by capital*.

### **Explosion of Self-Reduction Struggles**

When on a Monday in August 1974, hundreds of commuting workers found out that their bus fare from Pinerolo to Turin had been increased by almost 30%, few people would have predicted that such a relatively insignificant event could provide the spark for a new wave of struggles. To those commuters, the fare increase—decided by the bus line during the two-week summer shutdowns—sounded like an act of cowardly provocation. It took only a few days to organize some action and mobilize the commuters travelling on the bus line. The following Monday, the plan of action was ready. Workers set up tables near the bus terminal with signs all around saying, “Refuse the fare increase!”. But more importantly, they issued substitute weekly bus tickets, selling them at the old price (tickets are normally bought by commuting workers on Mondays, and entitled them to one week’s travel). The bus company responded by shutting down its operation, so hundreds of workers that morning did not go to work, and continued their mobilization. In the afternoon, they sent a delegation to the Regional Bureau of Transportation to demand that the old fares be reinstated, and that in the meantime the substitute bus tickets be accepted. After a few days of pressure, the Bureau ordered a suspension of the fare increase.

The spark had caught fire. Within a few days, similar events were occurring throughout the heavily industrialized region around Turin. On September 17, the Regional Authorities issued new guidelines for inter-urban transportation fares applicable to the 106 private bus lines operating in the region—guidelines which substantially reduced the increases already enacted or proposed by the bus lines.

The first round of self-reduction struggles had yielded its fruits. The practice however was quickly spreading to other regions of Italy, disseminating chaos in municipal and regional governments and in the trade union bureaucracies. By the end of September, the media networks were hysterically condemning this outbreak of “civil disobedience”, and the Italian Communist Party was solemnly reminding workers that the only valid method of struggle is the strike.

The next logical step for the workers was to apply this form of struggle to other areas of social consumption. The electricity bill figures high in

the budget of most working class households, and it is to this item that the struggle suddenly turned. One could hardly think of a more politically explosive choice. For one thing, the electricity industry in Italy is nationalized, and adopts rates which are applied throughout the whole country. The State would therefore become the direct target in a struggle whose potential for generalization among the working class would be enormous. Moreover, popular sentiment against the State-controlled electricity corporation (ENEL) was at a high point because of recent increases in electricity rates at a time when the corporation had been caught in a scandal involving the financing of political parties. ENEL's policy of granting reduced rates to industry as a form of subsidy (roughly 25% compared to domestic rates) also added fuel to the fire, as it is viewed by many as a blatant act of discrimination.

The initiative came again from the heavily industrialized areas of Turin and Milan. The initial support given by local trade union officials, or local trade union bodies (e.g. the Turin Labour Council) was very instrumental in facilitating the mobilization of workers in factories. It made it possible to utilize the organizational apparatus of the inplant workers' councils for this purpose, especially once the councils' executives had expressed their support of the struggle. In most cases, the mobilization involved setting up "self-reduction committees" whose task was to collect workers' electricity bills and issue substitute bills, often bearing the stamp of the unions. Workers would then enter the new amount, usually a 50% reduction, and then pay the bill.

The mobilization, however, was not confined to the factories. As this practice spread throughout Italy, self-reduction committees sprang up in urban neighborhoods as well as in small rural towns. In some of the large urban districts, the setting up of these committees was facilitated by the prior existence of neighborhood committees with a long history of community struggles. Most of these committees are made up of delegates from each block or apartment building, whose task is to mobilize their neighbours, coordinate the activities of various buildings, and make links with nearby neighborhoods and factories. The support given by ENEL workers, who often refused to enforce the company's orders to disconnect electricity, was also an important factor contributing to the success of the struggle. Through this combination of factory and neighborhood mobilizations, by the end of December, tens of thousands of electricity bills had been collected in every major Italian city. Turin was at the head, with about 140,000 bills collected.

## Housewives—Protagonists of the Struggle Against More Housework

To a large extent, the political significance of this wave of struggles lies in the territorial link up it is providing between factories and neighborhoods. As a worker from Naples explained: "In Naples in the past we have had experiences of self-reduction of water bills, gas bills, and electricity bills; but they have always been restricted to some building or some neighborhood, and have never caught on in the factories or in the unions. But today the situation is quite different, and offers a great political potential". (*Lotta Continua*, Oct. 4/74)

It is however in the neighborhoods that this mobilization is having its most dramatic effect, because it is often interwoven with other struggles such as squatting and self-reduction of rents. Moreover, despite the fact that often factory workers have been the spearhead of the mobilization, it is ultimately at the level of the neighborhood that the brunt of the struggle has been borne. This is where people have to face ENEL officials who come to either collect the bills or to disconnect the electricity. And this is where they often have to confront the police and the fascist groups who are sent to disrupt the process of mobilization. It is this dimension of the struggle which has shown the crucial role of housewives as central protagonists. Their role stems also from other considerations. If there is one item of productive consumption which falls squarely within the work of housewives, it is electricity. The increase in electricity rates amounts in effect either to a speed-up imposed by the State on housewives, as it forces them to perform the same amount of housework (cooking, washing, ironing, cleaning, etc.) in a shorter time, or to extending their working day by forcing them to do more work by hand.

It is obvious that capital's attack at the level of productive consumption stems from its difficulties in halting the wage increases that workers have won in the factories. Although this attack is directed against the working class as a whole, it tries to exploit the division of labour (factory waged labour vs. domestic unwaged labour) on which capitalism rests, by hitting a weaker sector of the class—i.e. by squeezing more unpaid labour from housewives. To see the central role of housewives in this wave of self-reduction struggles as merely a show of solidarity toward factory struggles would be clouding a very important process with empty leftist rhetoric.

The role of housewives as central protagonists can only be understood by the fact that their material conditions of work are the immediate target of capital's attack, and hence, that this struggle is in a very important sense *their* struggle against *their* increased exploitation. Only

after this point has been made clear can one talk of solidarity.

In this light, the struggle to reduce substantially the monetary cost of a family's productive consumption has become very crucial for the survival of many working class households. This is particularly true in many large urban neighborhoods, such as in Rome and Naples, where people make their living through marginal occupations (petty trade, black marketing, prostitution, etc.). The fact that in most of these cases the wage relation between capital and the male breadwinner is either non-existent or highly unstable has produced a dynamic which escapes the trade unions' mediating mechanisms. This explains why in these cases the self-reduction practice has exhibited a higher degree of autonomy both in its direction and content, allowing housewives to exercise the leadership which the terrain of these struggles confers on them. It is important to note, for instance, that in many neighborhoods the slogan was not "50% reduction" (the directive given by union officials in factory mobilizations) but rather, "Let's pay the rates the bosses are charged", which means a reduction of more than 75%.

### **The Trade Unions' Management of the Self-Reduction Struggles**

The contrast between factory mobilizations and neighborhood mobilizations can be better grasped when one looks at the strategy pursued by the unions in order to control and channel the self-reduction struggles—a strategy which is reminiscent of their role in the 1969 wave of factory struggles.

The initial outbreak of self-reduction struggles and the workers' use of the workers' councils (most of which are union-controlled) forced union officials to take a position. Similarly, in many large working class neighborhoods, the Communist Party was confronted with the situation of many party militants joining the self-reduction struggles and often even using the local party sections to help the mobilization. But while the CP leadership did not take long to condemn this practice, calling it "divisive" and a "provocation" by a few ultra-leftist groups, the situation was much more complex for the trade union leadership.

There is no question that the role played by some local trade union officials—many of whom are members of various Marxist organizations (e.g. PDUP-Manifesto)—was very instrumental in gaining the support of local trade union bodies, especially in the Turin and Milan areas. But for many other union officials, the outbreak of self-reduction struggles was viewed in the context of the increasing dissatisfaction among workers with the unions' obstructionism in the development of a

broad mobilization against the rising cost of living. This was clearly expressed by the secretary of the Turin Labour Council: "What is at stake here is our relationship with the people; what is being questioned is our ability to build an alternative. In these last months, the credibility of the unions has hit a low ebb . . . [in order to regain it], it is not enough to demand 50,000 or 100,000 liras for the workers, we must instead come up with alternative political solutions." (*l'Espresso*).

When this "alternative solution" started rolling, it was again the old time Italian trade union politics. While the lower level union leadership in the main supported this new wave of militancy—being directly confronted by this upsurge of struggles—the national leadership was buying time, avoiding a clear-cut position. This posture was largely dictated by the necessity to maintain the shaky balance of alliances among the three national union federations, which has repeatedly been threatened by the "ungovernability" of the working class, and consequently by the state of crisis in which all political parties are enmeshed.

The wait-and-see strategy began to pay off when the Rumor Government resigned in early October, setting off a long governmental crisis which lasted through the rest of the month. The absence of a cabinet at a time when the self-reduction movement was quickly spreading throughout the country undoubtedly had the effect of dramatizing the impact of this wave of struggles. It also contributed to giving the unions—the only institution which could conceivably control and manage the upsurge—the leverage necessary to influence the formation of the new government. In the political formula which enabled the new Moro Government to take power at the end of October, one essential ingredient was the support given by the unions—on the condition that the new government would commit itself to a national re-negotiation of cost of living allowances. A further condition was a revised schedule of electricity rates. From now on, the autonomous, rank-and-file controlled development of the self-reduction struggles had to be stopped. The logics of class mediation and the unions' credibility vis-a-vis the government demanded it.

During the long period of negotiations between the Government and the three national union federations—culminating in the agreement at the end of December—the impact of the unions' new policy vis-a-vis the self-reduction movement became evident in the factories. The overwhelming majority of workers' councils executives ordered a stop to the mobilization. This meant that workers who wanted to continue the struggle had to do so in opposition to these union bodies. The confrontation was often fierce, showing the extent to which the unions cared more about their credibility with the government than with the workers.

At the Alfa Sud auto plant near Naples, for instance, the target of 2,500 reduced electricity bills was reached by bypassing the workers' council. At the Italsider steel plant in Bagnoli, several workers' council executive members were forced to resign by workers because of their opposition to the mobilization.

Despite these and other successes scored by autonomous rank-and-file forces in several factories throughout Italy, it was clear that the self-reduction mobilization at the factory level had been severely affected by the imperatives of trade union politics. To a large extent, therefore, the continuing of the struggle lay with the neighborhood mobilizations, where the mediation of the unions was proving unworkable, and where there was a basis to resist and counter the direct repressive attacks by the State.

The new agreement over a national COLA package, which includes revised electricity rates, has marked a significant step forward in the process of the unions' integration into the capitalist state apparatus. The extension of their bargaining functions into the politically explosive area of essential consumption makes the unions a crucial partner in capitalist planning in this area. Not only do the unions co-manage the determination of wages and their distribution, *they also co-manage the way wages are used in the area of social consumption.*

In retrospect, the unions' course of action had other significant implications in terms of the dynamics of the struggle. Their involvement had the function of separating the initial autonomous links between factory and neighborhood mobilizations, and then of attempting to impose a new link "from above" by co-managing along with the State the new electricity rates and their acceptance. This illustrates clearly the crucial political importance of the unions in the context of Italy's economic and political crisis: they are the only institution that can mediate between the worker as wage earner and the worker as consumer of essential goods and services, and thereby continue to conceal the exploitation of unwaged workers—above all, housewives.

### **The Future of Self-Reduction Struggles**

The agreement, however, has merely closed a chapter of this struggle. It has not put an end to the self-reduction practice which, particularly in neighborhoods, has continued practically unaffected by the trade union-Government politics. Nor has the mobilization in the factories been brought to a complete halt. Recent months have witnessed a revival of the struggle in an increasing number of factories. A motion to support the struggle of the self-reduction of electricity bills was ap-



proved at a special meeting of 1,000 workers' delegates in Milan recently, indicating the degree of resistance the unions may still encounter among workers. In part this new upsurge stems from the workers' reaction to the new electricity rates, which became effective in January. The new rates are based on a graduated system, depending on the level of consumption of each household. In effect, for a typical working class family, the new rates mean an increase of 33%.

Many feel this increase is certainly worth the struggle; particularly the millions of housewives for whom a forced reduction in the consumption of electricity means more work, with housework normally done with electrical appliances now being done by hand.

If the present policy of Italian capital is to reduce levels of consumption in order to patch up the current economic crisis, it has become clear to what extent the burden of this political operation falls on the shoulders of housewives. It makes it possible to squeeze from them a huge new amount of unpaid labour without serious inflationary consequences.

The present Italian crisis has shown with unusual sharpness the importance of the home as a unit of production, and housewives as protagonists of the struggle against capitalist planning in this sphere.

*Feb. 1975*